




3 1761 11895322 3

Government
Publications

Government
Publications



Digitized by the Internet Archive
in 2024 with funding from
University of Toronto

<https://archive.org/details/31761118953223>

R8



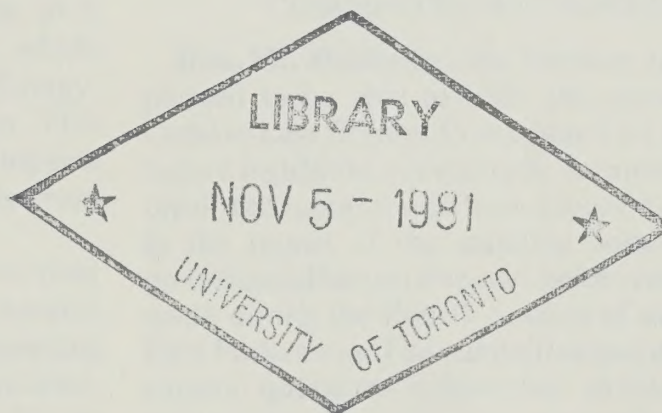
Ontario, LEGISLATIVE ASSEMBLY

4172

No. 79

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament
Monday, October 26, 1981

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC



CONTENTS

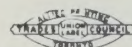
Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.



Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

Monday, October 26, 1981

The House met at 2:02 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

REPORT ON PEAT

Hon. Mr. Ramsay: Mr. Speaker, on behalf of my colleagues, the Minister of Energy (Mr. Welch), the Minister of Natural Resources (Mr. Pope) and the Minister of Northern Affairs (Mr. Bernier), I wish to inform the honourable members of the completion of our report on the potential of peat in Ontario, and am pleased to table a copy of this report here today. This is a joint project of the three ministries and examines in detail almost all aspects of peat as a natural resource in Ontario.

I might add that the Minister of Natural Resources is releasing this report today at a three-day symposium in Thunder Bay, which was organized by the ministries of Energy, Natural Resources and Northern Affairs. This symposium includes presentations on all aspects of peat utilization by technical experts from around the world.

As honourable members may be aware, peat is vegetable matter that is decomposed in water and partly carbonized. It has been an important source of fuel down through the centuries, particularly in Ireland, Finland and the Soviet Union.

Peat has not had the same importance in Canada because of the availability of other more convenient fuels, such as coal, natural gas and petroleum. However, Canada, and particularly Ontario, have vast peat resources. It is generally accepted that by itself Ontario has the third largest peat reserves in the world, about 26 million hectares, of which almost 10 million are south of the permafrost line. If all the peatland were available for energy production, it would provide the energy equivalent of some 72 billion barrels of crude oil. To date, Ontario has used only minuscule amounts of peat, usually in the form of peat moss for horticultural purposes.

Historically, in other countries the standard use of peat for energy was to dig it, dry it and burn it for space heating. Modern methods, in varying degrees of sophistication and development, include space heating in residences,

industries and district heating projects; the processing of peat into fuel pellets; the production of substitute natural gas, and the production of methanol. All these have possibilities for Ontario as we work towards our goal of producing 37.5 per cent of our own energy needs by 1995.

The first step in utilizing our peat resources is to assess the quality and quantity of our reserves. This study begins this process, providing an overview of our resources based on existing data. It also examines different ways peat can be used and the degree to which the technology has been developed, as well as assessing modern, energy efficient and economical ways of mining peat. These areas have been studied, particularly as they relate to Ontario conditions and to Ontario peat.

COMMITTEE WITNESSES

Hon. Mr. McMurtry: Mr. Speaker, today I am pleased to be able to table the report of the Ontario Law Reform Commission on witnesses before legislative committees. As members will recall, this report results from a request contained in the report of the standing committee on procedural affairs on witnesses before committees, made during the Fourth Session of the Thirty-First Parliament. The committee had asked that certain questions concerning privileges and protections for witnesses appearing before legislative committees should be referred to the Ontario Law Reform Commission for study and report.

The commission's report contains a comprehensive review of the legal and procedural aspects of the very important questions raised by the standing committee. It recommends changes in the procedures required to obtain a Speaker's warrant. It recommends an explanatory brochure should be prepared to advise witnesses and committee members of the powers, procedures and rights involved in proceedings before legislative committees. It also recommends that witnesses before such committees should have the right to retain counsel.

I am sure all members of the House will want to review the report. I look forward to continued discussion of these important issues in the standing committee, based upon the commission's very helpful report.

FISH TESTING PROGRAM

Hon. Mr. Norton: Mr. Speaker, today my ministry will release the latest results of Ontario's fish testing program, which we conduct in co-operation with the Ministry of Natural Resources and health specialists in the Ministry of Labour.

Since we began publishing this data in 1977 as a guide to anglers, we have tested more than 70,000 fish taken from 1,100 locations throughout the province. The accumulated results are published each spring in our publication *Guide to Eating Ontario Sport Fish*, and further test results are updated in frequent environmental health bulletins.

More than 200,000 copies of these guides are distributed each year via government offices and vacation-area stores of Brewers' Retail and the Liquor Control Board of Ontario. I might point out to honourable members that this fish testing and reporting program is unique in its size, scope and comprehensiveness in North America.

Our program is of benefit to anglers and their families who enjoy meals of sport fish and our program is being studied by several states in the United States. The program got under way in 1970 when we began testing for mercury. We now test continuously for PCBs and mirex. We began testing for dioxin as a regular part of the program in October 1980, with the opening of the ministry's dioxin laboratory in Rexdale.

The October bulletin reports the results of tests for PCB, mirex and dioxin in nine lake trout caught in Lake Ontario near Port Credit. The levels of PCB and mirex found in these fish, at 4,759 parts per billion for PCB and 244 parts per billion for mirex, exceed the federal unrestricted consumption guidelines of 2,000 and 100 parts per billion respectively, as did previously reported results. In addition, the average level of dioxin was found to be 19.7 parts per trillion, which is very close to the federal guideline of 20 parts per trillion.

2:10 p.m.

On the basis of these findings and the advice of health specialists in the Ontario Ministry of Labour, I am reaffirming my ministry's previous advice to the public to restrict consumption of lake trout taken from the Port Credit area of Lake Ontario. This restriction, which is based on the levels of PCB and mirex in these fish, suggests that anglers should consume not more than one or two meals per month. We also

recommend that women of child-bearing age and children under 15 should not consume the lake trout from that location.

Comprehensive details of our guidelines are given in our *Guide to Eating Ontario Sport Fish* publications, which are available free of charge. The average dioxin levels found, I would point out, are within, but close to, the guidelines established last July by Health and Welfare Canada. This guideline was set with a very substantial safety margin to protect public health.

The toxicological data base was used by the US Food and Drug Administration to set an unrestricted consumption guideline of 25 parts per trillion, and by the New York state Department of Health to set an advisory level of 10 parts per trillion, for a portion of fish double the size of the meal defined by the Canadian and US federal guidelines. To put it simply, the New York state and Ontario guidelines are the same; New York halved the dioxin guideline but doubled the size of the fish meal.

The dioxin results being released today are the first completed on our new, more-sensitive analytical equipment. This new technology forms part of a scientific paper that our laboratory staff were invited to present later this week in Washington at a major worldwide conference on dioxin. The dioxin levels detected in Port Credit lake trout are slightly higher than previously reported tests on some lake trout taken from other points in western Lake Ontario.

This increase does not necessarily reflect an increase in dioxin levels in the Lake Ontario ecosystem, but does reflect an improved analytical capability that has made Ontario a world leader in the analysis of dioxin and other trace contaminants in fish.

As a part of Ontario's routine testing program the ministry is currently testing additional trout, and we will also test other species. The results of these tests will be announced in environmental health bulletins when they are completed.

My ministry has also tested supplies of raw and treated drinking water on a regular basis, and the results of the latest tests of water supplies from four stations in the Oakville to Whitby area continue to show no detectable levels of dioxin.

ORAL QUESTIONS

DIOXIN IN FISH

Mr. Smith: I have a question, Mr. Speaker, for the Minister of the Environment arising out

of the statement he has just given the House about the levels of dioxin in fish in Lake Ontario.

The minister will recall that in July and August of this year he was busy reassuring the people of Ontario that, according to the findings his ministry had, a limit of 20 parts per trillion had not been exceeded. Has the minister had time now to familiarize himself with the fact that the figures given out at that time were misleading and that his officials had given out raw data rather than corrected data, which allows for the fact that some of the poison is destroyed in the very testing for it; and that, had the data been given out accurately at that time, it would have shown even then that the level of dioxin was above the 20 parts per trillion limit that he is now saying is Ontario's and the federal government's standard? Is he aware of that?

Secondly, can he tell us whether the data we are hearing today is again raw data or whether it has been properly corrected for the loss of some of the poison during the testing procedure?

Hon. Mr. Norton: Mr. Speaker, the data released in July was obtained, it is true, with the previous equipment, as I indicated in my statement. The new gas chromatograph mass spectrometer, which was used in this series of tests for the first time, was not available to us at the time the July tests were done. It is probably correct to assume that had those tests been performed with this new equipment, the results might have been marginally higher.

If the honourable member is asking, for example, "Was the process known as 'spiking the sample' used this time in order to confirm the quantum of recovery from the sample?" the answer is yes, and that confirms the greater accuracy of the tests done at this time. Although the member is not correct in jumping to the conclusion that, had the present equipment and process been used in the July tests, the difference in the results would have been enough to put all the samples over the limit of 20 parts per trillion, it is possible some of them might have been in that range.

Mr. Smith: Mr. Speaker, by way of supplementary, is the minister unaware that what he calls the "spiking the sample" technique, put in simple English, simply means that since some of the poison is used up in the actual testing, what is normally done is to test something other than the fish being tested to see how much poison is actually used up, and then to add that back in to the calculation? It is very simple. Since that apparently was not done, when he was reassur-

ing us about how safe everything was, does the minister recognize that the difference involved was between 40 and 66 per cent of underestimation, and that the values given back in July and August were underestimated by about that much, and would have been well over the 20 parts per trillion?

Can the minister say now that he sees we have a serious dioxin problem in Lake Ontario? Can he say now whether he is finally willing to intervene in matters such as the Hyde Park dump site and to start to protect Ontario's interest more vigorously than he has done so far?

Hon. Mr. Norton: Mr. Speaker, as the honourable member may know, the levels of dioxin detected in different species does vary. If he is drawing a comparison with the July results, I do not believe in that specific series of results there were—yes, there were some lake trout tested from the area east of Toronto but none from the western end of the lake.

I do not believe there is anything to indicate that the problem with respect to dioxin is worse now than it was then. It is important to recognize that even with the new testing technique and technology the results are still within the guideline. It is also important to recognize that the guideline arrived at by the Department of National Health and Welfare is a very conservative one. It is one seven-hundredths of what is normally regarded as being a potentially harmful level; so it is very conservative.

With respect to the reference to the Niagara River, I need say nothing more than I have already in the last couple of weeks—

Mr. Foulds: That is not much.

Hon. Mr. Norton: Obviously, that is something we will continue to pursue, and pursue vociferously, with our American neighbours. I say to the member for Port Arthur (Mr. Foulds)—

Mr. Speaker: He did not ask a question.

Hon. Mr. Norton: That is correct, Mr. Speaker, but I would offer this to him if he wants to make any further statements on the environment. I welcome his interest. I would even suggest that he might seek a briefing from my ministry so he has some understanding of what is going on.

Mr. McClellan: Supplementary, Mr. Speaker: I am going by memory, as I do not have my file here. This is a matter that has been raised a number of times. I have to express some amazement at the information we have been given today. Can the minister explain why the

technology referred to today — which was promised in October 1980 by his predecessor to be in place by December 1980, with test results of dioxin levels in fish in Lake Ontario—has not been made available till today? When the minister was answering questions earlier in the last session, why did he make no reference to the fact that the promised technology was not available?

Why did the minister offer such categorical assurances that there were no problems with dioxin levels when he knew the technology was not available? When does he intend to test more than the 14 trout which I gather are the extent of his sampling here today? When is he going to undertake what was promised a year ago: a comprehensive testing of dioxin levels in fish, particularly fish that are being consumed from Lake Ontario?

2:20 p.m.

Hon. Mr. Norton: Mr. Speaker, I do not recall because I was not in my present office on the original date of 1979 or 1980, whichever the honourable member suggested. I do not know what specific references were made at that time.

We did have very advanced technology in place in time for the testing in July. What I am now suggesting to the member is that since that time we have put in place a new gas chromatograph mass spectrometer which probably makes our lab the most sophisticated and reliable lab anywhere in North America for this type of testing.

Mr. Smith: Would that you could say the same for your people.

Hon. Mr. Norton: I would say the same for the staff as well. I thank the member for reminding me. They are highly respected in the field. In fact, as I mentioned in my statement, our staff have been invited this week to present a major paper at an international conference on dioxin. I think that is indicative of the respect and the confidence not only in the lab but also in the staff.

On the question of why this equipment was not in place in July, surely the member will understand it sometimes takes a period of time to order and acquire the equipment and get it into place.

Mr. McClellan: Why was the minister assuring everybody there were no problems if the technology wasn't even in place?

Hon. Mr. Norton: Not only would I have assured people of that then, but on the basis of the data that is before us now the same

assurance can be given, provided people follow the same guidelines that have been in place for these species throughout.

Mr. Foulds: Don't drink the water and don't breathe the air.

Hon. Mr. Norton: I might point out to the member, and I know it is always ludicrous to get into these sorts of situations, but if he were to talk to someone who is well informed on this subject, who is scientifically well informed in terms of the risk factors, I am advised, in terms of the risk of carcinogenicity and so on, that if an individual were to consume one meal a day of fish at 20 parts per trillion of dioxin throughout his lifetime, he would be running the same risk of cancer as an individual who smokes two cigarettes a year during his lifetime.

Mr. Nixon: That's better than the martini analogy.

Mr. Kennedy: Supplementary: If I heard the statistics correctly as the minister read his statement, the concentration of dioxin and mirex was higher in fish caught off Port Credit. Is there any significance to that as to the reason it is higher there than in fish from other areas of the lake?

Secondly, would the results of these latest tests add fuel to enable Ontario to put additional heat on New York state for a cleanup of the Niagara River and, presumably from that, the Great Lakes?

Hon. Mr. Norton: Mr. Speaker, I do not believe there is any evidence to indicate the fish in the Port Credit area are any different from the fish in the western end of Lake Ontario. It is not that site specific. It is my understanding that the fish that are stocked in the western end of Lake Ontario do move from roughly Toronto around to the St. Catharines area, so they are basically from the same school of fish.

Mr. Breithaupt: The fish do move around.

Hon. Mr. Norton: The fish do move around—

Mr. Foulds: It's called swimming.

Hon. Mr. Norton: —that is one thing we have discovered, although there are limits as to how far they will move.

In answer to the second part of the honourable member's question, the answer is clearly yes. I think this is, as were the previous results, information that will be of great importance to me in our discussions with our neighbours across the border.

Mr. Smith: Final supplementary, Mr. Speaker: Will the minister please explain why he has

come to us today with data indicating that the dioxin levels are above or at his limit, announcing to us this wonderful new equipment he has that is allegedly the reason he is now talking to us about the results, when he must surely have been told before now that even the corrected data in his earlier tests showed levels above Ontario's limit? When did the minister learn that the data he had been handing out to us was incorrect and misleading? When did he learn that it had not been corrected properly? And how come Ontario handed out uncorrected data while New York state and the federal government handed out corrected, accurate data?

Hon. Mr. Norton: Mr. Speaker, the data we handed out previously was not misleading; in fact, I think it was clear as to the basis upon which the tests were being done.

In answer to the first part of the member's question as to why I am bringing this to the members' attention today, the answer, in my opinion, is quite simple. It is not because there has been any marked change, but as a layman, and I am a layman, my concern was that the data we were presenting today, in the absence of a full explanation, could lend itself to the creation of unnecessary apprehension and alarm. I felt it was incumbent upon me, and part of my responsibility as the minister with responsibility for this particular area within government, to try to explain as fully as possible to the members of the public, who, like myself, by and large are laymen, what the significance of these results was.

Mr. Breithaupt: Most members of the public are laymen.

Hon. Mr. Norton: That is right; except for certain individuals who might be doctors, and they are expected to understand things of this nature a little better. But there is no cause for alarm.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Norton: Unless it were clearly understood what the significance of the numbers was, then it could very well lend itself to the creation of alarm by those people who want to grab the figures and run and make them sound like something they are not.

Mr. Speaker: New question from the Leader of the Opposition.

Mr. McClellan: On a point of order: Let the members be aware that on May 26, 1981, the

minister very carefully avoided any reference to the fact that the technology was not in place and that he could not do the testing—

Mr. Speaker: Order, order. There is nothing out of order. The Leader of the Opposition, a new question.

Mr. Smith: That is the sad part of it.

Interjections.

Mr. Smith: Canada and New York state gave out corrected data. Only the minister gave out misleading data.

Mr. Speaker: Do you have a question?

Mr. Smith: Yes, I have a question.

Hon. Mr. Norton: On a point of personal privilege: The Leader of the Opposition has just suggested that I gave out misleading information—

Mr. Smith: Data. That is correct.

Hon. Mr. Norton: —and that is not correct. It was clearly understood always, I think, that there were different testing techniques used in this jurisdiction and in the United States, and they differ in many areas. We have now done some—

Mr. Smith: Don't be silly. Sit down.

Hon. Mr. Norton: I am not being silly. I think it is important that—

Mr. Speaker: Order.

Hon. Mr. Norton: If the Leader of the Opposition wants to allege that I in any way have misled, then I think either he should withdraw that or I at least am entitled to an opportunity to respond.

The way in which the testing has been done in the United States is quite different in some respects from ours, in that we test the dorsal muscle or the fillet from the side of the fish, and the Americans test a larger portion of the fish—in fact, in some instances, the whole fish. That results in different concentrations because some of the non-edible parts of the fish or the parts that are not normally eaten by people are where the greater concentrations may occur.

Sure, that results in a difference and that kind of difference will remain even though we now have improved technology; of course it will. Mr. Speaker, if the member would like a briefing on the details of the technique, I would be glad to offer it to him as well.

Mr. Speaker: New question, the Leader of the Opposition.

2:30 p.m.

Mr. Smith: Mr. Speaker, May I respond to that point of privilege?

Mr. Speaker: A new question please.

Mr. Smith: The minister knows perfectly well they simply forgot to add in the correction factor. It is as simple as that.

UNIVERSITY FUNDING

Mr. Smith: Mr. Speaker, I have a question for the Minister of Colleges and Universities with regard to her comment in estimates on October 19 that, "Ontario's funding restraints on post-secondary education until now have been absorbed without government intervention and without serious damage to objectives."

How can the minister make a statement of this kind and defend it when the report of the Committee on the Future Role of Universities in Ontario, a study done under the direction of her own deputy minister, makes it plain that university physical plants are seriously deteriorating, and that unless university funding is improved, some institutions will have to be shut down and others will have to limit their programs?

How can she say everything is going well, there is no damage to objectives, everything is just as it should be, when a study from her own deputy minister and many other authorities makes it very plain the opposite is true?

Hon. Miss Stephenson: Mr. Speaker, the Leader of the Opposition obviously does not understand English. If he were to read the document, he would determine and discover that the objectives that have been established by the universities have not to this point been damaged. That is precisely what I was saying.

Mr. Smith: I take it that is the English of the fine print which I did not exactly follow. Ontario's universities are in trouble—and I trust the minister takes seriously the report by her own deputy, among many others, on this matter—largely because, had the government of Ontario funded universities at a rate that kept up with inflation, the universities would be approximately \$321 million better off over the past several years of funding. Because Ontario underfunded universities below the rate of inflation, they are now in the very sad state that is depicted here where they are either going to have to be closed in part, have certain courses stopped or continue to deteriorate.

Hon. Miss Stephenson: I was not referring to any small print, but to the very large print in all of the documentation that has been established on this subject. The universities of this province have been funded at a level that is consistent with the levels of funding for other institutions for which the province is responsible. They

were not given special status. They were funded at a level that was consistently higher than some others for which the government has responsibility.

I really would have to ask the question whether \$321 million richer means \$321 million better, or whether the program of the universities would serve the students better and serve society better simply by providing more funds. That is a question we have asked consistently of the universities and have had varied responses. The responses are now being collated in a way I think is going to be useful to all of us.

Mr. Cassidy: A supplementary question, Mr. Speaker: Can the minister explain why it is there are increasing numbers of reports of universities and community colleges that have had to move to theoretical instruction in the physical sciences and in areas of technology because they can no longer afford to provide the right kind of equipment on which their students can train?

If I can be quite specific, does the minister not think it is rather bizarre that at Confederation College in Thunder Bay they have been compelled to borrow from the banks for a period of two and a half or three years for the major proportion of the cost of the facility that is required for the training of workers to work in the aircraft industry, a technological industry where it is vital we have skilled workers? Is that not bizarre and a sign of the way in which the ministry and the government have kept universities and community colleges on such short rations they can no longer do an adequate job?

Hon. Miss Stephenson: No, Mr. Speaker, I do not think it is in any way bizarre. A plan for the funding of the advancement of the aerospace technology course at Confederation College has been developed and is going to be functioning effectively on behalf of both the students and that industry.

Mr. Sweeney: Final supplementary, Mr. Speaker: Would the minister agree that one of the goals set for the university system by the Premier (Mr. Davis) when he was the minister was totally open accessibility for all students in this province who earned a 60 per cent passing average from secondary school? I understood that was one of the goals of the university system.

The minister will surely realize the studies done at the University of Western Ontario, McMaster University, York University and Carleton University have all shown the degree of accessibility for those students who are from

lower-income families has dropped during the last four or five years. Therefore would the minister not respond that one of the key goals has not been met?

Hon. Miss Stephenson: No, Mr. Speaker, I could not respond in that vein at all. The studies that have been carried out, which the honourable member mentioned, are incomplete in terms of the factors to be taken into account by the students making the decision. It is a concern of mine, and was a concern of the special committee on the future role of the universities, that one or two groups within our society were not being served on an increasing basis: the francophones of Ontario and the native peoples of Ontario.

Many factors are involved in that decision-making process which encourage or discourage a young person from deciding to acquire a post-secondary education. The accessibility point addressed by the special committee on the future role of universities did not in any way suggest that lower-income students were being prohibited or impeded from attending universities. This province has the most generous student assistance program in Canada. It has addressed itself specifically to the low-income students in this province, and has done so successfully.

CAMPAIGN EXPENSES

Mr. Cassidy: Mr. Speaker, I have a question in regard to election spending I would like to address to the Attorney General.

In April 1979 charges of conspiracy were laid against Dylex Limited, the holding company which includes Tip Top Tailors and a number of other manufacturing and retail operations in the clothing area. Those charges were still outstanding at the time of the campaign this March. Would the Attorney General explain to the House how it is that, under those circumstances, in his campaign account and his riding account he accepted \$1,000 in contributions from Dylex Limited plus a further \$1,100, which came in donations from Mr. Posluns, the executive vice-president of Dylex Limited, and from his associates?

Hon. Mr. McMurtry: Mr. Speaker, this was a question that was directed to me by Mr. Oved of the Toronto Sun about a month ago, I think. I said to him at that time I was not aware of any charges against any of these companies until the time it was mentioned to me by Mr. Oved. I also said I was not aware of any campaign contributions at any time before this information was

brought to my attention by Mr. Oved. I assume the leader of the third party would have no difficulty in accepting those facts.

Mr. Cassidy: By way of supplementary, Mr. Speaker: Would the minister explain, first, why as Attorney General he would not have taken special care to ensure that justice is not only done but is also seen to be done and, therefore, why he would not have ensured that no contributions came into his campaign from companies or individuals against whom charges were outstanding in the courts? Second, would he say whether he has now returned the contributions to Dylex and to the people associated with Mr. Posluns, the vice-president of that company?

Hon. Mr. McMurtry: I would think even the leader of the third party would appreciate that there are some hundred thousand plus criminal charges pending in the Ontario courts at any particular time. Also, all campaign contributions are a matter of public record. I have a very excellent committee that reviews contributions and attempts to ensure the best they can that there is no question arising in relation to any of these contributions, and that has been done.

2:40 p.m.

So far as the Posluns family is concerned I do not know the details of this matter at all. I do happen to know the Posluns are an exceptionally reputable family in this community. Certainly my campaign committee or finance committee would have no reason—and to this date have no reason—to return those contributions that were made. This is particularly so as there can be absolutely no question in anybody's mind as to whether or not this would have any influence whatsoever with respect to the matter that was before the courts.

Mr. Conway: Supplementary to the government House leader on this question of Ontario election law: I am interested since there is a developing debate on the requirements of reforming Ontario's election law. I would like to ask the government House leader, since on an earlier occasion he responded—

Mr. Speaker: Order, order. That is not a supplementary, with all respect.

Mr. Conway: It's not a supplementary to the question?

Mr. Speaker: No.

Mr. Cassidy: Final Supplementary: Could the Attorney General just be a bit clearer with the House? Does he not understand that justice must not only be done but must be seen to be

done? Is he not aware that subsequent to the election there was a \$50,000 fine levied against the company in this case?

Since he collected in his campaign account and his riding account \$102,000, and then went ahead and spent \$67,000 in the riding of Eglinton, does he not think that at least to have the appearance of justice being done he could have acted after eight months when he learned about this donation and returned it to the company? This would make sure nobody could say there was any kind of an influence on his campaign or on the justice minister personally because of money coming from people who had cases before the courts of Ontario.

Hon. Mr. McMurtry: I do not think I have anything further to add to what I have already said, Mr. Speaker.

CONVERSION TO CONDOMINIUMS

Mr. Cassidy: Mr. Speaker, I have a new question for the Minister of Municipal Affairs and Housing.

The vacancy rate for apartments in Metropolitan Toronto is now down to 0.4 per cent. Would the Minister of Municipal Affairs and Housing say what action the government intends to take on the request by the city of Ottawa for draft legislation that would permit the city to refuse to allow the demolition of low- and moderate-rental apartments where the proposal by the developer is to turn those apartments into luxury condominiums at prices far beyond the reach of the present residents?

Hon. Mr. Bennett: I take it the leader is referring to the draft legislation being proposed by the city of Toronto and not by the city of Ottawa.

When the legislation is presented to me and we have a chance to review it we will do so and report at that time.

Mr. Cassidy: Supplementary: Has the minister not informed himself about the situation which has been brewing for some time? Does he not have a report back from the very angry group of people, many of whom supported the Attorney General (Mr. McMurtry) in the election campaign in the riding of Eglinton, who are now facing eviction because of these practices by landlords?

Does the government not have a policy which it can announce now? Is the government prepared to sit down with the city of Toronto to react positively in principle to the request to get that legislation into place so that the city can act

to protect people who are in danger of losing their homes because of evictions so that their units can be turned into luxury housing?

Hon Mr. Bennett: Yes, Mr. Speaker, I am aware of some of the public meetings that have taken place in this community relating to the issuing of a building permit which allows for the construction of some new condominiums on a site, and which also has made application for the demolition of the present units.

As I said, the legislation is being sought by the city of Toronto. We are prepared to review it. I am not prepared at this time to make a blanket statement that we are going to introduce legislation of such a character to govern this province.

Mr. Smith: A supplementary question, Mr. Speaker: Does the minister not recall that the Ontario Municipal Board itself on March 19, 1981, asked the government for some policy in this regard? I want to quote from its decision regarding the city of Cambridge. This is the OMB speaking: "There is no specific policy in the Planning Act or Condominium Act which relates to this issue of conversion nor was the board made aware of any other legislation in which it might be contained." It says, "There is nothing of a binding nature or even existing policy to which the board can look for assistance."

So the board itself would like a policy. There are people waiting to find out what their fate will be because of an appeal launched by the city of Toronto on the matter of the buildings in the Eglinton-Bathurst area. In the United States the rush to condominiumize—if that is a word—the affordable rental accommodation in the middle of cities has just about eliminated affordable rental accommodation there. Given all this, is the government prepared to bring in a policy to guarantee people are not going to be thrown out of their homes just so some developers can make a few million dollars on speculative changes of rental housing into condominiums?

Hon. Mr. Bennett: Of course, Mr. Speaker, I believe we are talking about something in the range of two different issues here today. It sounds as if one was demolition and replacement by a new structure versus a conversion—

Mr. Smith: Either way.

Hon. Mr. Bennett: Either way it is not quite correct. But let me just give the House some information—

Mr. Smith: They are not building rental accommodation. That is for damn sure.

Mr. Speaker: Order.

Mr. Smith: It is going to be condominiums, any way.

Mr. Speaker: Order. The minister should just address himself to the question.

Hon. Mr. Bennett: It is obvious the leader of the Liberal Party would like to give us some rambling situation. However, just so there is no misunderstanding, members should look at what has happened in this province since 1976 to September 1981 in the area of conversion from private rental to condominium.

Mr. Smith: Look at what is happening now.

Mr. Speaker: Order.

Hon. Mr. Bennett: Let us look at what has happened. In 1976 the number of dwellings fully approved and converted from rental to condominium was 2,091. In 1977 it was 1,579. Take note that in 1978 it was 678 and in 1979, 1,029. Last year it was 483 and this is all over Ontario. Until September of 1981 it was 199 units. Indeed, out of three million—

Mr. Smith: The problem is right now; 80 inquiries in the last six weeks.

Mr. Speaker: Order.

Hon. Mr. Bennett: One can talk about inquiries, as has been interjected by the leader of the Liberal Party, but let me suggest strongly that inquiries have nothing to do with the positive aspect of how many are converted. There are more than three million living units in this province. A total of 1,170,000, which is 38.2 per cent, are in rentals and 1,893,000, which is 61.8 per cent, are in ownership.

Over the period of the five years 0.005 per cent has been converted from rental to condominium. The rate of conversion in this province is tremendously different from that in the United States and tremendously different from what we experienced in 1975 and 1976.

Mr. Philip: A supplementary question, Mr. Speaker: I wish the minister would tell that to the constituents of the member for Eglinton (Mr. McMurtry) who are being thrown out on the street. Is the minister not concerned that, while private sector housing is being destroyed, Ontario Housing Corporation is not able to keep up with the demand from those who have been dispossessed in the private market?

Is the minister aware that as of July 31, 1981, Metropolitan Toronto Housing Company had 4,574 families on its waiting list as compared with 3,746 families in March 1981 and 3,275 families on August 31, 1980? This is an increase

of more than 30 per cent in less than a year. Or is the minister simply prepared to accept that one solution to Ontario's housing crisis is the one proposed by a number of his constituents who put on a bumper sticker which reads, "Bump Bennett. Ontario needs a housing minister who works."

Hon. Mr. Bennett: Mr. Speaker, I am glad to see the member for Etobicoke is up to date with bumper stickers that are about a year and a half old. It did not work through March 19 of the current year so it really does not have much validity.

2:50 p.m.

I do not think by any stretch of the imagination that the private housing sector is being destroyed in this province. The private sector should have an opportunity to function effectively. It is great to try to put restrictions on, but one of the reasons we have some difficulties is that we have placed restrictions against the private sector. These have turned them off trying to put investment in place in rental accommodation.

Ms. Copps: On a point of order, Mr. Speaker: How can the minister say the private sector—

Mr. Speaker: That is not a point of order.

ASSISTANCE TO POLISH PEOPLE

Mr. Ruprecht: Mr. Speaker, I have a question for the Premier. Many Ontario citizens are very concerned about the crisis in Poland and the Premier has received many requests to respond to this crisis by sending food and medical supplies and giving immigrants help for resettlement. When will he or his government develop a policy that will spell out specifically what this government is prepared to do to help out?

Hon. Mr. Davis: Mr. Speaker, this government has responded over the years when unfortunate situations have occurred in other countries of the world. I think one should be careful how a response is phrased or how it is developed in terms of a provincial jurisdiction involving itself in matters that should be dealt with by a national government. I am not being critical of the government of Canada at this point.

I know the honourable member has distributed some correspondence which a number of us have received. On the question of assistance to people who now may be outside Poland or matters of that kind, the cabinet will be assessing it. Information is being obtained and when

something is to be said I can assure the honourable member we will communicate it. Premature is the wrong word, but I am not in a position to make any statements for a few days.

Mr. Ruprecht: I appreciate the comments by the Premier. If I may be permitted to ask one more question about this item, in the Premier's response to Senator Haidasz's statement, he indicated the Ministry of Intergovernmental Affairs, which is responsible for assessing this kind of assistance, will be developing some policy initiatives. Will the Minister of Intergovernmental Affairs (Mr. Wells) also produce a statement soon, or will it be in co-operation with some other department?

Hon. Mr. Davis: Perhaps the honourable member has not been involved in the House when some of these situations have occurred before. It will be a matter of general government policy involving the Ministry of Intergovernmental Affairs and the Ministry of Culture and Recreation. I can think of a few situations when we were involved in relief in one or two countries where two or three other ministries were involved. But on an issue as important and sensitive as this, I or one of the ministers will be having something to say. However, it will not be for a few days.

Mr. Mackenzie: Supplementary, Mr. Speaker: Early last week in the Premier's absence, I asked the Deputy Premier (Mr. Welch) the same question that has just been asked. My question included whether or not there would be some specific initiatives in terms of medical supplies, resettlement and so on. At that time, if I recall correctly, I asked him to report back to the House and he said there would be such a report. I wonder if he could be a little more specific as to when we might get some idea of the places we might tie into it as members of this House?

Hon. Mr. Davis: Mr. Speaker, the Deputy Premier and Minister of Energy informed me of the member's question and the reply he gave. I think I have answered that question. I cannot give the member exact days. As I say, it is a sensitive issue but I will assure the member there will be a statement forthcoming from the government fairly soon.

SHORELINE PROTECTION

Mr. Swart: Mr. Speaker, my question is to the Minister of Municipal Affairs and Housing, if I could have his attention please. I wonder if he would tell the House why he terminated the

loans under the Shoreline Property Assistance Act on September 30 of this year? Why were they terminated without any advance notice to the municipalities or the people concerned?

Hon. Mr. Bennett: Mr. Speaker, if I recall correctly, I indicated to the municipalities at the time that the amount of money we had allocated for shoreline protection and flood control was depleted and that I was not in a position to extend further funding at this time.

Mr. Swart: Would the minister not think the manner in which he took the action to terminate it was irresponsible, in fact, cruel to the lakeshore property owners who had already paid their \$200 application fee, had received approval and proceeded with the work? One example is Mr. Normand Baillargeon, who owns property in Dunnville on Lake Erie. I will send a copy of the correspondence to the minister.

He will note, when he gets that correspondence, that by letter dated September 28, 1981, the town of Dunnville authorized Mr. Baillargeon to proceed with an \$8,800 anti-shoreline-erosion project. Then by letter from his ministry dated September 30, and received in the Dunnville municipal office on October 8, he cut off all loans effective October 1, one day after his ministry's letter was dated and seven days before it was received. By this time Mr. Baillargeon's contractor had his work 50 per cent completed. Others are in the same situation.

Will the minister not, in fairness, agree that the loan money should be provided to all those shoreline property owners who have received approval and have let contracts or commenced work? Will he yet provide those loans? If not, what advice is he going to give those property owners?

Hon. Mr. Bennett: I trust the member read the second letter that came from my ministry on September 30, signed by Glenna Carr. If he reads the last paragraph I am sure he will understand exactly what it means. It says, "As the year progresses, if there are surplus funds in other accounts we will make the transfers and try to accommodate the applications."

Mr. Ruston: Supplementary, Mr. Speaker: Has the minister been able to assess whether he is going to have any funds to transfer into this program?

Hon. Mr. Bennett: We are in the process of doing just that, Mr. Speaker.

NIAGARA REGION HEADQUARTERS

Mr. Bradley: Mr. Speaker, I have a question of the Minister of Municipal Affairs and Housing. I recognize the position he is in, in terms of local autonomy. However the overwhelming majority of people in the Niagara region are opposed to the expenditure of tax dollars for the construction of a new regional headquarters building in that area at a time when municipal taxes are increasing rather substantially and inflation is eating away at their real incomes. Would the minister be prepared to intervene in any way in an attempt to persuade the members of that regional council not to proceed with this monument to regional government, and this program which amounts to financial insanity?

Hon. Mr. Bennett: Mr. Speaker, I am not so sure I would accept that last interpretation of an action of the regional council. I believe they are a council freely elected by the same people who likely elected the member who just finished speaking. They made a decision on behalf of their council. I have talked to the chairman and several members of that regional council. They believe the decision is a wise one considering that at present the administration of the region is scattered in a number of buildings. They think this decision is, in the long term, in the best economic interests of that community. I do not intend to interfere with what is local autonomy to make decisions and practise them in its own community.

Mr. Bradley: Would the minister not agree with what I thought was a very frank and honest assessment on the matter by the Minister of Intergovernmental Affairs (Mr. Wells)? On June 2, 1980, he stated in the Legislature in answer to my question: "I do not disagree with the member about the need in the Niagara Peninsula. I met the regional council at its present office and I saw nothing wrong with that office. I do not see any particular need to build a palace to give regional government some kind of focus in the Niagara Peninsula."

I am not attempting to drive a wedge between the ministers, but in view of what I think was a very honest assessment by the Minister of Intergovernmental Affairs, would the minister not agree it would at least be worthwhile to attempt to persuade them to delay their action until further studies can be undertaken to determine whether they really need to make that kind of expenditure now?

3 p.m.

Hon. Mr. Bennett: Mr. Speaker, I can only say in response that the Minister of Intergov-

ernmental Affairs does not work under the same conditions as the staff of the region.

Mr. Swart: Final supplementary, Mr. Speaker: A committee which is now province-wide has been created to investigate the dramatic changes and downgrading of regional government. In view of this does the minister not think it would be wise at least to hold off building that \$6 million or \$7 million project until the committee has reported?

Hon. Mr. Bennett: Mr. Speaker, I trust the member realizes there is nothing I personally can do about it. I do not intend to interfere, period. And as far as this committee is concerned, it is a splinter group that is running around trying to create difficulties in regional government formation. I do not think its authenticity is very substantial.

NURSING HOME CHARGES

Mr. R. F. Johnston: Mr. Speaker, my question is for the Minister of Health, and it is about an apparent anomaly in the Health Insurance Act, which seems to suspend Ontario health insurance plan coverage for those 16 to 18 years old who are in nursing homes.

Is it the case that a Mr. Knight in my riding will have to spend more than \$9,000 in the next two years to keep his son in a nursing home, as that nursing home has informed him, although his son was fully covered by OHIP before he was 16 and will be in another two years' time? Why does the minister think his ministry's officials have said the boy can, on his own merits, be subsidized under general welfare, when the Metro assessment officers for welfare tell us they must take into account his father's income? It is \$23,000, and the result is the boy will be ineligible and the father poor.

Hon. Mr. Timbrell: Obviously, Mr. Speaker, after hearing a 20-second description I am not going to make a judgement one way or the other.

Mr. Martel: No, it has taken seven months for Benedetti.

Hon. Mr. Timbrell: No, I am sorry; I answered that fairly quickly.

Mr. Martel: No, the minister did not. His answer was useless.

Mr. Speaker: Order.

Hon. Mr. Timbrell: In regard to this one, I take it the member has some of the details and can give me the name, address, location and so forth.

If the boy is an extended-care patient and entitled to subsidy then the subsidy should be paid, I would think.

Mr. R. F. Johnston: Supplementary, Mr. Speaker: At the moment there seem to be approximately 48 people—it is hard to tell—who are covered by general welfare assistance in nursing homes. Yet according to Kay Wlodarczyk of the Ministry of Health, at least 121 families have children between the ages of 15 to 19 in nursing homes, and, according to her, the vast majority of them are being asked to pay out of their own pockets. It is not just this one case; it seems to be a large problem across the province.

Hon. Mr. Timbrell: Mr. Speaker, I remind the honourable member that in nursing homes the only ones who are covered in any way by government plans are those who are there under the extended-care program.

Interjection.

Hon. Mr. Timbrell: The member is asking me to make a judgement on a case I have not heard of before. I would love to have the details; if he would give them to me I will try to get it straightened out.

NIAGARA RIVER POLLUTION

Mr. Haggerty: Mr. Speaker, I would like to direct a question to the Minister of Health. Is the minister aware of The Ravaged River report, which was recently released by the New York Public Interest Research group? The limited data they had to work with showed that the New York state overall cancer mortality rate ranked second in the nation during the period from 1950 to 1969. In both Erie and Niagara counties the male cancer rates exceeded the national rate.

Is the minister aware the recent Niagara District Health Council Task Force report number two has indicated a similar problem of high rates of mortality, especially with respect to comparison between Ontario, Canada as a whole? Niagara revealed significantly higher rates of neoplasm, a disease of the respiratory, circulatory and digestive systems. A comparison of potential years of life lost between the ages of one and 70 for Ontario and the whole of Niagara reveals a significantly higher rate per 1,000 population for Niagara residents.

Since both reports indicate a general health problem, will the minister initiate a comprehensive health study relating to the possible health hazards to that region's population, which may well be subject to long-term water and air

pollution?

Hon. Mr. Timbrell: Mr. Speaker, I did not catch the name of the first study to which the honourable member made mention, but—

Mr. Haggerty: It was an American report.

Hon. Mr. Timbrell: Yes. To my knowledge it has not been sent to me. Some of my public health staff may be aware of it, but if they are, we have not at this point discussed it.

I know too the health council was working on a study looking at morbidity and mortality and that it was going to circulate it for comment. I will find out for the member where that study is and whether it is one that, in the view of our epidemiologists in the ministry, merits further study.

D'ARCY PLACE

Mr. Foulds: Mr. Speaker, I have a question for the Minister of Community and Social Services. Is the minister aware, and I am sure he is, of the anxiety in the town of Cobourg over the possible closing of D'Arcy Place, the facility for the mental retarded there? Has he or the cabinet made a decision about whether the facility will remain open? Is he completing a meeting that the honourable member for that riding is arranging for this afternoon with residents from that community?

Hon. Mr. Drea: Mr. Speaker, no decision has been made. I am sorry, I missed part of the last question about the member—

Mr. Speaker: The member is arranging a meeting.

Hon. Mr. Drea: Mr. Speaker, I have a meeting this afternoon with a group from Cobourg. That is substantially the message I am going to give them. Somebody gave me a clipping the other day suggesting there was supposed to be a cabinet meeting on Thursday that would decide it. To the best of my knowledge, there was not a cabinet meeting on Thursday. As I say, no decision has been made on the future or the present of D'Arcy Place.

Mr. Foulds: Supplementary, Mr. Speaker: When the Premier (Mr. Davis) over the weekend warns the right wing of the minister's party that that is not the route to go for the Progressive Conservatives of this province, why is it that this ministry is continuing to put in jeopardy, make uneasy and threaten the most vulnerable members of our society, the mentally retarded? Why does the minister not give a clear assurance that facilities such as D'Arcy Place will remain in existence, and, in the words of the

Cobourg Daily Star, "call a halt to this reckless, ruthless and unfair move to end the good works of D'Arcy Place in this community."

Hon. Mr. Drea: First of all, it is absolutely delightful that the New Democratic Party, through one of its leadership contenders, has now endorsed the facility or the institution as the only place for the care of the retarded.

Mr. Foulds: That is not what I said and that is not what the party said in the community.

Hon. Mr. Drea: Well, he is right there. What has to be looked at in the context of care and treatment of the developmentally handicapped is the fact that, for the past several years, more and more of those who once would have gone to a facility have not gone. They are being raised by their parents in the community with support services. More children who were in facilities some time ago are now coming out into community endeavours. In terms of the adult retarded, the same situation prevails.

To say that a particular segment of that total care concept, of which D'Arcy Place is a very prominent example—and we are building homes, some in the communities, some in facilities, some larger than others, some smaller than others—to try to lay down an absolute dictum to keep open facilities—and I am not talking about D'Arcy Place at the moment; it has to be looked at as part of the whole—to keep open facilities that are no longer needed because the work is being done in the community, cannot be described by the adjectives the honourable member used. Indeed, it would be absolutely ridiculous.

I could not go to the Ontario Association for the Mentally Retarded, with the work it has done in the community both for the retarded and with government co-operation, and say I am never going to change any of the facilities. There is quite a move that a number should be closed and I think that has to be kept in context.

3:10 p.m.

On the last little item, that the Premier gave some admonition to the right wing of the party, I have never been identified with the right wing. As a matter of fact, the Minister of Labour (Mr. Elgie) and I are usually on the other side.

Mr. R. F. Johnston: On a point of order, Mr. Speaker: It was quite disturbing; I thought I heard the minister say he was going to attend a meeting this afternoon.

Hon. Mr. Drea: I said "tonight."

Mr. R. F. Johnston: Tonight? You said "this afternoon," I think.

Hon. Mr. Drea: No, I did not say that. I am meeting them after I get done with my estimates.

Mr. R. F. Johnston: Check Hansard.

Hon. Mr. Drea: I am just a little tired of the innuendo. I have estimates this afternoon. I told the people from Cobourg I would meet them after estimates.

Mr. Cassidy: Take a rest.

Hon. Mr. Drea: Why, do you want to skip them?

GO TRANSIT SERVICES

Mr. Kolyn: Mr. Speaker, I would like to address a question to the Minister of Transportation and Communications. It certainly was a pleasure to be involved in the new GO facilities coming in from Milton. I think this is a first where we have hooked up the railway lines to the subway system. The question to the minister is, are there more of these facilities in the offing in the future?

Hon. Mr. Snow: Mr. Speaker, I fully expect my ministry and the Toronto Area Transit Operating Authority will be continuing, as they have for the past 14 years, to expand the service operated by GO Transit.

Mr. Smith: A supplementary question, Mr. Speaker: Since we are hearing about the expansion of GO Transit, when will we finally have GO Transit on a regular-train basis between the largest industrial centre in this country, Hamilton, and the capital of our province, Toronto? When will the minister finally get GO service on a regular-train basis into Hamilton?

Hon. Mr. Snow: Mr. Speaker, there has been GO Transit on a regular-train basis to Hamilton now for 14 years. It so happens that it is two trains in the morning and two trains in the evening.

Mr. Smith: That is pretty regular.

Hon. Mr. Snow: This guy is pretty smart, is he not? It so happens the service we inaugurated yesterday through Etobicoke, Mississauga and Milton will be operating with three trains a day. It so happens that the Georgetown GO train service operated for a number of years with three trains per day and now has four trains per day. It also so happens, and the honourable member should know it, that with the difficulties we have with the rail service, it is impossible for us to get more than two trains per day into Hamilton.

ONTARIO MEDALS FOR BRAVERY

Mr. Speaker: May I have your attention for a few moments? I would like to call all members' attention to the fact that the Lieutenant Governor will be holding an investiture ceremony for the 1981 recipients of the Ontario Medal for Police Bravery and the Ontario Medal for Firefighter Bravery in the main lobby and on the great staircase of the Legislative Building today at 6 p.m. It would be appreciated if all members would use the elevators and not the great staircase during this investiture.

ORDERS OF THE DAY

House in committee of supply.

ESTIMATES, MANAGEMENT BOARD OF CABINET (continued)

On vote 401, ministry administration program; item 1, main office:

Mr. Mackenzie: Mr. Chairman, I want to raise a few more items with the minister. Most of the questions that I have left are about the Civil Service Commission or involve the staff relations field. I am pleased that we have made some progress in getting through the backlog of grievances that we had, but it seems to me that we still have a problem with time. It is my information that a typical grievance—and I am not referring here to a dismissal—requires four months.

Mr. Chairman: Can we just have a little bit of quiet, please, so we can hear Mr. Mackenzie?

Mr. Mackenzie: It takes four months from referral to the Crown Employee's Grievance Settlement Board to the date of hearing. A further two months is required for the award. I would point out to the minister that under the Ontario Labour Relations Act, section 37(a), we have accelerated this process. The process from referral to the minister to the appointment of an arbitrator is expedited, and the hearing takes place within no less than 21 days. Surely some kind of permanent arbitration system such as the grievance settlement board could be able to function must faster than the ad hoc system administered under section 37(a).

I know that the Ontario Public Service Employees Union has proposed—but as far as I know, Mr. Minister, to no avail—to appoint a full-time chairman, for which I understand they said they would be willing to pay half the cost. They have asked for regional arbitration boards because scheduling is made more difficult when

witnesses, grievor, et cetera, must be brought in to Toronto. They have asked also for nonprecedential arbitrations in which the decision could not be used as a basis for other arbitrators. A nonprecedential case could be decided orally or by a relatively new arbitrator. They have also proposed specific time limits. This makes more than a little sense and I am wondering if the minister is considering it.

I am sure he is also aware of a position we have taken in this House consistently—and probably one of the foremost requests of those members covered by the Crown Employees Collective Bargaining Act—which is that they would like to see the change so that they are covered under the Ministry of Labour and the Ontario Labour Relations Board rather than the current setup they have.

They raised the question with me that because the Chairman of Management Board is both the employer's agent and the minister responsible for administering the labour legislation, this administration is biased by the employer's interest. While I am sure the minister himself would not agree with that, I think they make a legitimate case. I think we would resolve a number of the concerns and a lot of the bad feeling we have had for a long period of time if there were a shift to the Ministry of Labour.

I also understand that the government appointed Professor Weiler recently to investigate reporting relationships. I am wondering, if this is accurate, when we could expect Weiler to report and how long—if indeed he does make the recommendation that I suspect he might—it would be before the government might act on this specific proposal. There are, as the minister knows, a number of problems involved in the restrictions on employees covered under the Crown Employees Collective Bargaining Act.

I am also wondering if the minister would be prepared to present us with the breakdown of the grievances that have been dealt with over the last year on an individual basis, giving us the cases, when they were referred to arbitration, when they were heard and the date of the decision, to give us some idea as to whether or not I am accurate in the time frame that I have been talking about.

I wonder too if the minister would tell us whether he intends to look at the cost to employees of the union of defending themselves where they have been charged in assault cases and where the case has not been proved or the charge has been dismissed. Even though the case may be dismissed, the minister must be

aware that the employee or the union is still on the hook for the legal charges, and it seems to me that is not a fair situation.

3:20 p.m.

I am also wondering, Mr. Minister, whether you would deal with the question of referrals that are now coming in. If I can use one example, this is a letter from the Hamilton office:

"Recently two referrals came in from the insurance carrier of the LTIP," long-term income protection plan, "to the vocational rehabilitation services section of ComSoc in our area. Both referrals are asking our services to evaluate vocational potential of both cases to enable the carrier to arrive at a further disposition of their cases."

I think that raises a number of serious concerns and it certainly has for the employees involved, because the vocational rehab staff are concerned simply because VRS staff are also members of the bargaining unit, and as such they are placed in a conflicting role. The civil servant on LTIP is also placed in a rather no-escape position as refusal to participate could be interpreted as an unco-operative attitude.

I think they have a valid concern here and I really ask why a taxpayer of Ontario, not an insurance carrier, must spend moneys on evaluation of the vocational status of this client. As a matter of fact, I am told that the insurance carriers under LTIP are increasingly asking for information on which to make an evaluation of the cases. I am really wondering why ComSoc should be subsidizing the insurance carriers by doing such evaluations for them.

It makes you wonder if the province is really working for the insurance companies in a case like this. It would seem to me there is a valid case there for the minister to take a look at the situation and see what can be done to change that particular situation.

I am also wondering if the minister is prepared to look at another complaint that exists with the employees, and that is the lack of any kind of indexing or income protection in terms of those who go on long-term income protection plans. I have two examples to underline the case.

One concerns a Joseph Breau who went on LTIP on June 30, 1978, at \$11,200 a year. That is now well over three years ago and there has been no adjustment or no change. So what might have seemed to be a fair income at the time under the plan certainly is now one that

can only hurt that employee. It is not going to be too long before he is also going to be looking at welfare as a way out; his income is still too high to qualify for it, but I think it underlines what I am saying.

The other one is a Nicholas Begey, who went on LTIP on February 24, 1979, at an income of \$12,787. He has been on it for maybe only two and a half years, but in two and a half years there has been no increase or no adjustment. It certainly points out that lack of indexing means the long-term income protection plan is not an income protection plan. I am wondering what the minister is prepared to do in terms of looking after the legitimate needs of these particular employees and others who are under that kind of category.

I was also intrigued by some of the remarks made by the Liberal member for Brant-Oxford-Norfolk (Mr. Nixon) in his comments. Those were concerning expenditures when he was also raising, as I did, the question of exactly how you justify some of the expenditures, whether it is for a plane, Minaki or the oil purchase as against some of the other needs.

He raised with the minister the fact that an awful lot of ex-members and ex-cabinet ministers in this House seem to end up not only drawing their pensions but also fairly hefty salaries in many cases on various commissions and boards. I am wondering if the minister would provide a list of all ex-MPPs and cabinet ministers—cabinet ministers in particular—who are drawing pensions from this House and at the same time are holding jobs on boards or commissions, and what rates they are being paid in these particular boards and commissions.

I am wondering if the minister would also respond as to whether or not he is giving serious consideration to the growing request from women employees within the government service for some form of pregnancy leave and whether or not he is prepared to accept the principle, which has certainly been established within the postal service, that this is a right of women employees and that we do not need to expect that it is going to become one of the serious points of difference in negotiations. I would be surprised, Mr. Minister, if it is not one of the requests that we are going to have before us.

I would appreciate answers to these, as well as answers to my questions on the kind of assessment or evaluation that is done of the various programs that come before your ministry, in your response during these estimates.

Mr. Chairman: Thank you, Mr. Mackenzie. It is my understanding that the minister will have a general reply to the opening statements and then we will look at specific votes, if that is agreeable. We have approximately one hour and five minutes left on the estimates.

Hon. Mr. McCague: Mr. Chairman, I presume the members know, but in case they do not, the two gentlemen in front of me are Mr. Butler on my right, who is the secretary of the Management Board of Cabinet, and Mr. Waldrum on my left, who is deputy minister in charge of the Civil Service Commission.

The member for Brant-Oxford-Norfolk (Mr. Nixon) mentioned in his opening remarks the state of labour negotiations and relations in the government last year and I thank him for that comment and agree with what he said.

There has been some mention in the comments of both honourable members of the purchase of a jet and Suncor. As far as the purchase of the jet is concerned, a cabinet decision was taken to obtain a jet. We at Management Board looked at the relative merits of either leasing on a permanent basis or purchasing, and we found purchasing to be the most advantageous.

Mr. Martel: Do you lend it to anyone?

Hon. Mr. McCague: Certainly, if I happen to be going to Sudbury, I would be glad to have you aboard.

Mr. Martel: I need it for the twentieth, though.

Hon. Mr. McCague: It is not going to be here by that time, as I understand it.

As far Suncor is concerned, again that is a cabinet decision on which the Treasurer (Mr. F. S. Miller) has already decided how it will be financed and—

Mr. Cassidy: You manage, except when the cabinet decides.

Hon. Mr. McCague: Well, certainly, would you not agree that any decision any minister or ministry makes is subject to cabinet approval?

Mr. Cassidy: That is a licence for irresponsibility. What was the cost benefit on the jet?

Mr. Chairman: Please allow the minister to proceed with his comments.

Hon. Mr. McCague: There was considerable comment by both the Liberal critic and the NDP critic about the salaries we paid to various people who are members of this House and chairmen of agencies, boards and commissions. While I could get that information for the

members, it is all in public accounts, I think you will agree, and can easily be referenced there.

The member for Brant-Oxford-Norfolk raised several questions about the overuse of consultants generally, about the fees paid to them and about the use of lawyers. Mr. Nixon, of course, on occasion feels the same way I do about fees charged by lawyers. Since both of us are farmers we are rather distressed, and I can understand that the member for Hamilton East (Mr. Mackenzie) might well feel the same way.

3:30 p.m.

However, just a little on consultants: We at Management Board, of course, do not appoint all the consultants. Policies are laid down in the manual of administration that ministries are asked to follow in the appointment of consultants. As I said before, the member for Brant-Oxford-Norfolk raised a question about lawyers. I think he probably has the biggest problem with those who are appointed to serve select committees or committees of the House. I would point out to him that the administrative policies concerning those lawyers are the policies of the Office of the Assembly—

Mr. Nixon: It is actually the royal commission lawyers that really bug me.

Hon. Mr. McCague: They are the ones the member was particularly speaking about, and they may happen to be the same ones he is in charge of as a member of the Board of Internal Economy.

Mr. Nixon: They often are. They just go from one trough to another.

Mr. Mackenzie: Is the minister asked to do an evaluation of the merits or demerits of this kind of situation? For example, we have been well served without going to expensive lawyers in the select committee on pensions.

Hon. Mr. McCague: In regard to the lawyers who would be retained by committees of this House, no, we are not asked anything about those. In regard to the lawyers serving royal commissions, we are asked to approve their scale of fees, but it is always within a scale that would approximate what members in the House would approve for people they hire on the various committees.

Both members asked a few questions that relate, really, to the role of Management Board. Of course, members realize it is a committee of cabinet, and in simplest terms its role is to ensure the effective, efficient and economical administration of government. The responsibility is somewhat similar to that of a general

manager in the determination of corporate administrative policies, the administration of the annual funding process and the co-ordination of program implementation.

The board sets manpower and financial control policies, monitors expenditures and program results throughout the year, and advises cabinet on matters of corporate administrative interest. It also ensures that government administration is responsive to economic and technological change. Finally, it undertakes initiatives to improve government's internal management processes.

The chairman has direct policy and priority input through his membership on the Policies and Priorities Board. In this he is given analytical support by the Management Board secretariat. The annual resource allocation process is the key vehicle for the chairman's participation in priority setting. This process, directed by the Policies and Priorities Board, has major participation by the Management Board secretariat as well as by the Ministry of Treasury and Economics. Management Board secretariat also provides important staff input to the work of the policy field committees.

The ministries are allocated specific financial and manpower resources, subject to the ultimate approval of the Legislature through the annual estimates process, which is administered by the Management Board secretariat and on which allocation recommendations are made to cabinet by Management Board. The Management Board secretariat continuously monitors ministry expenditures to ensure compliance with corporate financial decisions. Expenditure problems are reviewed with the ministries and, if required, by Management Board. Ministers may appear before the board either by their choice or frequently, at the request of the board.

There was a question about how Management Board monitors ministry performance. It does this by monitoring the use of the human and financial resources as approved in each ministry's estimates and by monitoring program performance using management by results data. This includes information on whether the program is achieving its objective and whether it is doing so efficiently by monitoring the quality of the management processes. At present this consists primarily of monitoring the results orientation of the ministry's processes, but in the future it will include some monitoring against the standards set in the management standards project.

Mr. Mackenzie: Does that mean if you were monitoring and found something wrong you would report back to the Premier (Mr. Davis)? How do we highlight the minister's performance?

Hon. Mr. McCague: To the ministry, or it might be highlighted in the minutes we provide after each meeting that are adopted or otherwise by cabinet.

It was mentioned that probably the records retention function was not very important. I think, as a part of our work, it is quite important. During the project we have had enthusiastic support from such organizations as the Financial Executives Institute Canada, the Canadian Manufacturers' Association, the Association of Records Managers and Administrators, the Canadian Federation of Independent Business and many others.

I guess the specific question raised by the member for Hamilton East (Mr. Mackenzie) was the one regarding the retention of health records. During consideration of this matter, the Ministry of Health, the Ministry of Community and Social Services and the Ministry of Labour were consulted. What we are recommending is that records be kept for 20 years after the patient's last visit. We are told that is adequate, although the honourable member may have something further to say about that.

As far as the riding-horse records are concerned, the Ministry of Agriculture and Food is looking at 36 regulatory amendments relating to records retention. It is really up to them to recommend to us what we should do in this regard. At this point, we have not had their final opinion.

I am sorry that responses to a couple of the matters raised by the member for Hamilton East will be rather technical in nature. As he will recall, some of the figures he gave from tables and questions relating to last year's estimates do require a rather technical response, which I will give him. He asked for an elaboration of the figures quoted on page G281 of last year's opening remarks. These figures are based on an analysis of Ontario government expenditure from 1975-76 to 1979-80. Real trends in spending were determined by removing the effect of inflation.

The 1.3 per cent reduction applies to the total spending of the general government policy field. The 1975-76 expenditures, when restated in constant dollars, were \$1.725 billion compared with actual spending of \$1.702 billion in 1979-80. The reduction of \$23 million is 1.3 per

cent less than the 1975-76 figure of \$1.725 billion. Similarly, the social policy field 1975-76 expenditures restated in constant dollars were \$9.220 billion compared with actual spending of \$9.830 billion in 1979-80. The increase of \$610 million is 6.6 per cent greater than the figure of \$9.220 billion.

Mr. T. P. Reid: That's a billion.

Hon. Mr. McCague: One-twentieth of the budget.

Mr. Nixon: You've got a good writer over there. Great stuff.

Mr. T. P. Reid: You should be on Friday Night Live.

Hon. Mr. McCague: You are a great advocate of that.

The member for Hamilton East asked a question concerning the proportion of government expenditures on goods and services that small business receives. As I stated before, on March 28, 1980, we tabled a report. The survey indicated that during the 1978-79 fiscal year ministries spent approximately \$278 million on goods and services via purchase order. Small businesses—that is, those with 100 employees or less—received 51.2 per cent of the dollars expended or approximately \$143 million. On surveying the government purchase of goods and services, we were focusing on the purchase of those commodities defined in the public accounts as services, supplies and equipment, not on the acquisition and construction of physical assets.

3:40 p.m.

I think the question was asked why we excluded such things as automobiles, petroleum products, road salt and construction projects. Those are all decided by tender. Basically they are all Canadian companies. Automobiles, petroleum products and road salt have only two suppliers—Domtar and Canadian Salt. Of course I do not think the construction projects amount to small purchases. They are really one large contract.

Mr. Mackenzie: All these are by tender?

Hon. Mr. McCague: Yes. Regarding the attendance improvement program, the member for Hamilton East asked a question regarding the breakdown of absenteeism by category. We do not have that. I do have the list here by ministry, which somebody could deliver to him, but we do not have the information broken down by employment classification.

Mr. T. P. Reid: Do you have extra copies?

Hon. Mr. McCague: Yes, somebody will get you one.

I wonder if the member for Hamilton East would agree that I might pass across to him some information on all the questions he asked about classified, and so forth, rather than taking the time to read it. What does he wish?

Mr. Chairman: The acknowledgement is that he will just accept it.

Mr. T. P. Reid: What are you doing about the Ministry of Health, which has the highest rate of absenteeism?

Mr. Chairman: Carry on.

Hon. Mr. McCague: Regarding the use of unclassified, the member for Hamilton East mentioned that the uniformed police in OPP do not have any unclassified staff. Actually, in the OPP there are some unclassified such as matrons and guards on an on-call basis, and part-time caretakers and clerk typists in detachments. These people show up on the statistics and may prove to the member there are some unclassified in there.

The Ministry of the Attorney General is not employing crowds of high-priced, unclassified lawyers. There are a few professional contracts and a few people on special projects, and they hire some students. However, about 85 per cent of their unclassified staff are persons working 24 hours or less per week in the area of court administration.

Regarding the Ministry of Health, there is a wide range of unclassified jobs involved, including doctors, psychiatrists, nurses, nurses' aides, ambulance workers, food service helpers, cleaners and a variety of staff on projects. This will presumably include professional contracts, part-time work and staff on call to cover a vacancy or peak loads, et cetera.

The Ministry of Community and Social Services mainly has clerical staff, stenographic staff and residential counsellors and counsellor assistants on unclassified staff, although it also employs food service helpers, welfare workers, social workers, nurses and observation and detention home workers in these ways.

I have lost my little note with the questions the member for Hamilton East asked towards the latter part of his remarks.

As far as the grievances are concerned, we did have a bad situation as far as backlog is concerned, a year ago now. I guess about a year and a half ago, I issued a challenge in the order, if you want to say it that way, to clean these up. I

think progress over the past few months has been dramatic. It is true there are some delays. The member mentioned four months from the date of setting the hearing. I think we have been hampered to quite an extent by the fact there was this backlog. Now that we are fairly current as of April 1 of this year, I think we can do better.

It is true the union asked for 21 days or 30 days, something like that. Our sort of unwritten agreement at that time was to proceed this way and see how it worked. It may be necessary to do something in the future, but I think we can assess that as time goes on. It is true cabinet has asked Professor Weiler to take a look at the reporting relationships. It is true I represent the union as employer and I am also the one responsible for negotiations with them. This has been brought to my attention by the union. Professor Weiler is looking at the reporting relationship.

When we asked Professor Weiler to take on this task, he had other duties but we expect him to report before the end of the year. As to when it might take place, I cannot state. We will have to look at the recommendations and cabinet will also. The matter of costs to employees and the vocational status of a client is a matter that has not—

Mr. Mackenzie: Has the minister any reservations about transferring authority?

Hon. Mr. McCague: Personally I have some sympathy for the argument made by the union, although I think, as the member stated—

Mr. Mackenzie: Are there hangups on the part of the Minister of Labour or do you know?

Hon. Mr. McCague: I do not know that. The member is asking questions I do not have the answers to. I understand the point. I guess we are the only one in Canada that has this kind of reporting relationship, but that does not necessarily mean we are wrong.

Mr. Mackenzie: I think one can make a lot of good arguments and a few criticisms.

Mr. Chairman: I would like to inform all honourable members that although we are not usually very strict with regard to rulings, I do have a list already in terms of general inquiries of this minister. There is another one. Could the member for Hamilton East please refrain and allow other members to make general inquiries after the minister's response?

Hon. Mr. McCague: As far as the cost to employees of grievances and the vocational status of clients are concerned, that is some-

thing that has not been brought to my attention at this point. I will look at it as the honourable member has requested.

Indexing and long-term income protection: I think that is a matter before us now as far as negotiations with the union are concerned.

Women employees' pregnancy leave: That matter comes up periodically when we are in the bargaining sessions and I would not want to comment on it at this time.

Mr. Chairman: Mr. Cassidy, we are now responding to the general opening statement of the minister and Mr. Ruston was first on the list I had. Is that all right? If the committee is agreeable, first it is general questions on the opening statement and then we will go to the specific vote.

Mr. Ruston: Mr. Chairman, I will speak briefly. One thing concerned me somewhat. I am not sure whether the minister is really involved in it. We call it Chairman of Management Board and we as laymen get the impression that since you are Chairman of Management Board your officials should have a knowledge of how the money is being spent throughout different ministries. Maybe you do not. I am not thinking of whether money is misspent. But in the administration of different ministries and their operations, does your ministry ever have any—I would be afraid to use the word consultants—any cost analyses of operations in other ministries as to how they are operating in that area?

Do you ever get involved when a ministry comes in and wants another 200 employees? Are you going to say, "What do you need them for?" Do you have personnel experts in charge of management and in charge of production of work and so forth? Do you ever get involved in that type of thing?

Hon. Mr. McCague: Yes.

Mr. Ruston: I know this is a difficult question, but it concerns the Ministry of Revenue's operations in the last couple of years since they took over the tax grant system. From my staff and other people I have talked to here, I get the opinion it is almost a disaster area in the ministry with regard to the tax grant system. It has become such a disaster that I understand they have informed my office they will not take any claims for the next three weeks because, quite frankly, they are so bogged down with problems they do not know what they are doing.

3:50 p.m.

The second thing I am looking at is the cost of operating that mess. If we want to give people over 65 years of age a little more money, there is a massive computer set up in Ottawa. We have the old age pension, the supplementary old age pension and we have the Gains right here in our own province. If the ministry wants to give these people more money why not put the Gains up \$30 or \$40 a month instead of sending them a \$500 cheque and then a \$50 cheque for sales tax benefits?

I have been told 1,500 people in Ontario received three \$50 cheques. I do not know how true that is. I do know of some people who received two \$50 cheques and their neighbours did not receive any. These people tell me, "Our neighbours are Conservatives and that is why they received two and we didn't get any." I am sure that is not the case. I am sure they would not do it that way.

But I say somebody over there has to have control over how the money is spent and how it is wasted. There has to be millions wasted on those types of plans. No one can convince me the government is not wasting money. We have a system in place for looking after our elderly people for financial assistance. The cost of putting in that type of system just so the government could have the political advantage of sending out a cheque has to be astronomical. There is nobody to blame except I guess the minister and his officials for not checking into it and having their say. Somebody has to pay for this, and it is such a mess.

I have had four or five calls to my house and four or five a day to my office. Some people even call long distance to Toronto which costs them quite a lot of money. They will have to watch that or they will be spending more than they are getting. But people get worried when they find out their neighbours receive money and they do not. Some people get letters telling them: "Here is \$300. You received X dollars four months ago." But some of them never received any money four months ago; something happened. Some people have had their names taken right off. Other people die and six months later cheques are still being mailed to them. I know of people who passed away last November and a \$50 tax grant cheque was mailed to them this fall. The Gains cheques were stopped but you fellows keep sending the other cheque.

There is another thing hidden in here and I have seen mention of the situation in the United States in the Detroit papers. This is where

people have been dead for 14 years and the family still continues to receive their cheques, cashes them and spends the money. Sure, those people are charged with fraud. I am not saying that is happening here, but some of that is going on. I have had cases where people have still been receiving cheques even three or four months after notification. Ottawa is just as bad with the old age pension.

I just wonder how many of those cheques are not being cashed. I am not sure some people are not taking advantage of that. Everybody likes to look and see what might happen in a case like that. It is easy for anyone to open an account in a nearby city or town, go in and tell the clerk they wish to make a deposit in their account. The clerk is not going to check that signature because the older person is not even there. How can we check that out? Somebody has to put a clamp on this somewhere because millions of dollars are being wasted both ways. It is double-handled in the fact that we have employees sending out cheques and others trying to find out how many cheques are coming back when the person passes away and we do not know where the money has gone.

Hon. Mr. McCague: Mr. Chairman, when the decision was made by cabinet to handle these accounts we did have a submission from Revenue asking for a certain number of employees to process this work. Our function at that time would be to assess whether or not what they were asking for was adequate or more than adequate to do that job. As I recall at the time, we gave them considerably less than they were asking for, as we often do, in terms of dollars and in terms of manpower. We watch both those very closely. We do not follow what they do with the money after that assessment is made, as the member has admitted he knows. It is the Provincial Auditor who works on the value for money or brings to light any inadequacies there are in their accounting system.

As far as a lot of questions the member raises, I am sure he will want to raise those with the Minister of Revenue (Mr. Ashe) during his estimates.

The Deputy Chairman: Just before the member for Ottawa Centre (Mr. Cassidy) starts, I am concerned that we are going to want to proceed item by item. There are not that many general statements to be made, and then we will be

proceeding through it item by item. I would not stop you, but I guess that is the procedure we normally follow, isn't it?

Mr. Cassidy: I have one matter that relates specifically to the minister's authority—

The Deputy Chairman: Oh, fine.

Mr. Cassidy: Has the minister reconsidered the position he has taken with respect to the application of the Public Service Act and the regulations it enforces or lays down about political activity by public servants? I draw the minister's attention to sections 11 to 14 of the act. Among other things, section 12(1)(c) states that a Crown employee shall not "associate his position in the service of the Crown with any political activity." It says a civil servant "shall not . . . canvass" and it says ". . . a deputy minister or any other 'designated' crown employee . . . shall not at any time canvass on behalf of or otherwise actively work in support of a provincial or federal political party or candidate."

Section 15 says "a crown employee shall not during working hours engage in any activity for or on behalf of a provincial or federal political party." Section 14 says "Except during leave of absence . . . a civil servant shall not at any time speak in public or express views in writing for distribution to the public on any matter that forms part of a platform of a provincial or federal political party."

I come from a civil service riding. Ottawa Centre is my riding, and that happens to be federal civil servants, but I am quite familiar with the way the law is applied federally and the way it is applied provincially. If a provincial civil servant wishes to comment publicly—for example to criticize a policy of the government and say he disagrees with it—that is not allowed. That is cause for instant dismissal under section 16 of the act which says, "A contravention of section 11, 12, 13, 14 or 15 shall be deemed to be a sufficient cause for dismissal."

In fact, the archaic way the law is worded means that any civil servant could not comment on any matter that happens to be included in the program of the New Democratic party, for example—and we have a pretty broad program; it covers almost anything over the course of the election campaign. It would mean that technically speaking a civil servant could not comment on that over the course of the 37-day election campaign, and certainly not with respect to any matters that become publicly identified as being part of the platform of a political party.

What is happening in practice though is that the law has been amended. I would like to read the way section 14 of the Public Service Act is now being interpreted by the government. It would read as follows: "Except during a leave of absence granted under section 12(2), a civil servant shall not at any time speak in public or express views in writing for distribution to the public on any matter that forms part of a platform of a provincial or federal political party unless it is the Conservative party of the Province of Ontario."

That, Mr. Chairman, is the position that exists right now. I would like to ask the minister to explain, for example, how it is that during the course of the election campaign officials of the Ministry of Energy were briefing reporters on the announcements the government had made about a program to provide loans to homeowners to improve their home conservation, their insulation, when that had formed part of the platform of the Conservatives in the election? It was part of the BILD program.

How is it the deputy minister of Energy, Mr. Rowan, wrote a letter to the city which was speaking specifically about that residential electrical services program? That letter was dated, I believe, March 2, and sent in the midst of the election campaign. He knew that letter would be made publicly available, since all documents at City Hall are essentially available in the city of Toronto. That too formed part of a platform of a political party—namely the provincial Conservative party.

How is it, given the statement in the Public Service Act that a crown employee shall not "associate his position in the service of the crown with any political activity," some 100 invited guests, including a number of crown employees, associated themselves by presence on the platform at the time of the announcement of the \$10 million greenhouse project at the Bruce nuclear plant, which the Premier made under the auspices of Ontario Hydro?

4 p.m.

Surely the civil servants who were part of that large group of people who took the day off in order to be present at that ceremony during the course of the election campaign were clearly associating their positions in the service of the crown with the political activity indulged in by the candidate for Brampton and the Leader of the Conservative Party, who was seeking election.

Mr. T. P. Reid: How about Ed Stewart?

Mr. Cassidy: I was coming to Ed Stewart.

The law is quite explicit. It says a deputy minister shall not actively work in support of a provincial or federal political party or candidate. I am editing out the other parts of section 13(2) of the Public Service Act.

Hugh Winsor may be listening on the blower right now, but he dropped down to the Conservative Party headquarters during the course of the election campaign. When he was down there who should be on the telephone talking to Patrick Kinsella, the campaign manager for the Conservatives, but Ed. Ed who? Ed Stewart, deputy minister in the Premier's office, clerk of the executive council. He was trying to find Norman Atkins, who was campaign co-chairman for the Conservative Party. In other words, it was quite clear—and everybody knows it as well—that Ed Stewart, deputy minister, was contravening section 13(2) of the Public Service Act of Ontario because he was directly involving himself in the political campaign of the Conservative Party.

I would have thought there would have been some response to this, given the evidence raised. There has been some correspondence on this subject with the chairman of the Civil Service Commission from my friend and colleague, Dick Gilbert, an alderman of the city of Toronto. But problems were raised and instances were raised and I thought they would have gotten some kind of substantive response.

Instead, Mr. Gilbert has received a letter dated October 6 which said Mr. Waldrum sought legal opinion and that it is all right. I am not a lawyer, but it does not look all right to me. It looks to me as though it is firmly and completely in contravention of the law.

Then the minister says the circumstances do not warrant any investigation other than Mr. Waldrum's investigation. Is the minister not concerned, as the person responsible for the impartiality of the civil service in Ontario, that people of a rank as high as deputy minister have been directly involving themselves in political activity during an election campaign? Would he and his colleagues not be down in an instant if they found a senior public servant was involving himself or herself in a campaign of the Liberal Party or the New Democratic Party? Why should it be different with respect to the Conservative Party? Why is he so hypocritical as to have a double standard?

The minister's letter says the rules governing political activity by civil servants in Ontario are as stringent as those of any public jurisdiction in Canada. Is he not aware that rules and laws can

be as stringent as anything, but if they are not enforced they are a dead letter? If they are enforced only in one direction they are being enforced in a biased way. He has a responsibility to administer the law in an impartial and unbiased way.

Then his final point is that "Mr. Waldrum is a dedicated civil servant"—which he is—"who has given many years of excellent service to this province"—which is true—"and he has my utmost confidence in all respects." I am very glad to hear that, but I want to know whether the minister is now prepared to take seriously the allegations that have been made that public servants involved themselves in matters and spoke publicly on matters which involved the platform of a particular political party—namely, elements of the Board of Industrial Leadership and Development program? It is absolutely clear this was the centrepiece of the platform for the Conservative Party during the course of the 1981 election campaign. And people as high as Ed Stewart were involving themselves in political activity in contravention of the act. Will he protect his act or will he not?

Hon. Mr. McCague: Mr. Chairman, this is an argument that could go on and on and on. Obviously, the honourable member does not agree that the Board of Industrial Leadership and Development was one of the programs of this government prior to the writ being issued.

Mr. Cassidy: It was part of your platform.

Hon. Mr. McCague: It was not part of the platform, it was part of the government's program, clearly and distinctly prior to the issuing of the writ. Obviously, there were certain people in government right up to the deputy minister level who were carrying out the elements of that program, as was so clearly set out in the BILD document, and I do not see any particular point in carrying this argument any further.

Mr. Cassidy: Let me ask the minister, was the BILD program a part of the platform of the Progressive Conservative party in this election in 1981—yes or no?

Hon. Mr. McCague: The platform was all those things that the government has done in the past four—and about 40—years.

Mr. Cassidy: Was the BILD program, which was promised just a few days before the election was launched, a part of the platform of the Progressive Conservative party in the March 1981 election?

Hon. Mr. McCague: I think I answered the question.

Mr. Cassidy: The answer is yes. Then, Mr. Chairman, since the act says that without taking leave a civil servant shall not speak in public or express views in writing for distribution to the public on any matter that forms part of the platform of a provincial or federal political party, since the Conservative Party of Ontario is clearly a provincial political party, and since you have said that the BILD program was a part of the platform and it is now clear that public servants or civil servants were speaking publicly on that matter, what action do you intend to take?

Hon. Mr. McCague: I did not say that the BILD document and what it contained was part of the platform. I said that in any election you are standing on your record, be it for four years or 40 years. I do not intend to get into the argument you are trying to make that it was strictly part of an election campaign.

Mr. Cassidy: Would the minister say that if there was advertising paid for to the tune of \$1.1 million by his party, the matter that was subject to the advertising would form a part of the platform of his political party?

Hon. Mr. McCague: Mr. Chairman, I would not say that at all. Obviously, the advertising programs of the government do not discontinue when there is an election campaign.

Mr. T. P. Reid: Obviously.

Mr. Cassidy: Wait a minute, Mr. Chairman, I am talking about the advertising that was funded by the Progressive Conservative Party. If something is mentioned in that advertising, would you not say that then was part of the platform of the political party that you happen to be a member of?

Hon. Mr. McCague: I have no further comment on the issue.

Mr. Cassidy: Mr. Chairman, the minister is being totally unreasonable, because he knows he does not have a leg to stand on. The BILD program was mentioned specifically in election advertising by the Progressive Conservative Party. It was obviously announced just before the election campaign in order to form a part of the platform. The minister is quite correct in saying that it is a program of government, because his party happens to be in government. However, it was also a part of the platform.

Will you perhaps change the law so that the asininity that is in the law right now could be sorted out, and so that if the minister thinks public servants should have the right to work on

behalf of Conservatives in the election campaign, that should be clearly spelled out in the law?

Hon. Mr. McCague: Mr. Chairman, the honourable member is raising now a different question, whether we are prepared to change the law. We are always prepared to look at it. The union has raised the matter of political activity by its members on several occasions and each time—about once every two or three years—we get an opinion from legal counsel. We do not see any need to change that at the present time, even with the allegations the member is making.

Mr. Cassidy: The allegations are true, Mr. Chairman; the minister has just pointed them out. What about the fact that a deputy minister, Mr. Ed Stewart, was actively working in support of a provincial political party, namely, the Conservative Party?

Mr. T. P. Reid: He was in the commercials.

Mr. Cassidy: He happened even to appear in the commercials, albeit, I think it is fair to say, that might have been an oversight. I do not think you were giving him fees for his appearances in those particular commercials. That, however, was improper. The fact is that Mr. Stewart was clearly involved, was actively counselling, was in active and regular contact with the chairman and the campaign manager of the Conservative Party's campaign. Does the minister consider that to be proper in view of section 13 of the Public Service Act?

Hon. Mr. McCague: Mr. Chairman, I do not think there is anything out of order at all. Probably talking on the telephone is not political activity in any event.

4:10 p.m.

Mr. Cassidy: What would the minister have said if Mr. Stewart had been in regular contact with the campaign chairman for the New Democratic Party's campaign or the campaign chairman for Dr. Smith's campaign? Would he feel that would be proper?

Hon. Mr. McCague: Probably. If your campaign manager had telephoned Dr. Stewart and asked him for the answer to a particular question, he might have got it.

Mr. Cassidy: Perhaps the minister could say on how many occasions there were meetings between Mr. Kinsella or Mr. Atkins and Mr. Stewart, the deputy minister, during the course of the election campaign and, during those meetings, whether they talked about the price

of tea in China? Did they talk about their fishing reminiscences from northern Ontario? What did they talk about?

The Deputy Chairman: May I just say before the minister responds that we have about 20 minutes left in these estimates. There are a number of votes so I would like to give others an opportunity to participate. I pass it on to the minister.

Hon. Mr. McCague: That ridiculous question does not deserve an answer. I was in Dufferin-Simcoe trying to win my riding.

Mr. Cassidy: Well, my final question—

The Deputy Chairman: If the member for Ottawa Centre could appreciate that there are other things to continue with; the last thing I want to do is thwart public debate.

Mr. Cassidy: Mr. Chairman, you should be ashamed of your colleague here being unprepared to enforce the law of Ontario, the Public Service Act.

My final question to the minister is, were there then no meetings between Mr. Stewart, deputy minister in the Premier's office, and the campaign people in the election campaign? Was it just an idle inquiry, was Mr. Stewart not actively involved, or, as Hugh Winsor puts it in his column, has it now got to the situation where any distinction between political crony, civil servant and paid staffer is fused by their common devotion to the continuance in power of William Grenville Davis?

Is that not the case and is that not abuse of the laws that were meant to provide for impartiality of civil servants in Ontario?

Hon. Mr. McCague: I have no idea if there were meetings or if there were no meetings. I would presume there were none.

Mr. T. P. Reid: Mr. Chairman, if it is agreeable, I think we should cover any topic that we have in the 20 minutes that is left.

The Deputy Chairman: Is that generally agreed? Agreed.

Mr. T. P. Reid: Unfortunately, I had quite a number of things I wanted to raise.

First, I would like to congratulate and express my thanks to Mr. Butler who is leaving us shortly. Ever since you have become minister, your deputy ministers seem to be going on to bigger and better things. They are certainly competent people but I wonder if it is a case of going on to better things or getting away from you.

However, since I do not want to take all the

time, I want to express concern about three particular matters. One is the Civil Service Commission, which will be appearing before the standing committee on public accounts this week on matters we raised last year in regard to the absenteeism, a sheet of which we have. It is interesting that in Canada as a whole, absenteeism costs the economy more than all the strikes put together.

I think this is a shocking document. It is shocking there should be this much absenteeism in the civil service. As I said earlier, it is ironic the Ministry of Health should have the highest percentage of lost time. It is at a point where the government has been almost forced to put truant officers in each ministry to keep tabs on it.

I want to ask a question about money as well in regard to the civil service, particularly where the cost of the merit pay comes in. I wonder if that comes under item 4, contingencies, in vote 401 or if there is a separate item for merit pay.

I would also like to know if Mr. Waldrum's Civil Service Commission has taken the recommendations of the public accounts committee and required that performance appraisal be done. I think the taxpayers would be shocked if they knew that civil servants were getting merit pay for merely showing up, which has been the case in the past. I hope something is being done about that.

I wish we had more time on this, Mr. Chairman, but I want to raise one more item and then have both answers at the same time. The operational review branch was the standard in 1980 in keeping with the movement towards strengthened internal operational audit capability and accountability in all ministries. In my years on public accounts and around here I have come to the conclusion that there is very little accountability and responsibility in government, particularly as it relates to the civil service.

I am not one who contends that everybody should be fired for every mistake that has been made, but we have seen it in merit pay cases. We have had ministers and deputy ministers of the crown get up and say they cannot discipline people and they cannot fire them because of the cumbersome grievance procedures and the fact that the grievance board turns around and reinstates people after the case has been heard and everything goes on as before.

What concerns me about the operational review branch is that the auditor in his last report of last year did a study of the internal audit of the various government ministries and

said in his report—I am sure the minister read carefully the auditor's report of 1979-80—that the internal audit in almost every government ministry is of very poor quality; it is not up to standard and it needs a lot of work.

In my discussions with a lot of internal auditors I found the deputy ministers—whom the minister will recall have been identified at least by the public accounts committee and accepted, I believe, at least in principle, by the minister as being the responsible people in the ministry for this kind of thing—are not getting the reports or are not reading them and are not carrying out the recommendations of the internal audits that they get.

I wonder if the minister could also address himself to that and assure the House that the internal audits will be brought up to standard and that the information or recommendations in them will be taken seriously by the deputy ministers.

Hon. Mr. McCague: Mr. Chairman, the honourable member raises three points: absenteeism, merit pay and internal audit. I know merit pay is a subject that demands a lot of attention from time to time, but employees are hired and there is a pay range. Really there is not a merit award made, but people are moved up in the pay classifications. It is possible for an employee to be moved up in a pay classification and also get the yearly award that is made to all civil servants. So to that extent yes, it is for merit for work done and so forth. You argue that it is automatic. The Civil Service Commission will argue that it is not automatic. If an employee deserves it, he will get it.

Mr. T. P. Reid: Waldrum told us everybody got it, with one or two exceptions, in a civil service of how many people?

Hon. Mr. McCague: Not everybody, by any means.

Mr. T. P. Reid: People to whom it is available all got it.

Hon. Mr. McCague: Seventy per cent of the people are at the top level in the category so not everyone gets it at all. Some out of 30 per cent probably is a more accurate figure.

In regard to absenteeism, that is something that disturbs everybody. It is something that disturbs us all and we are one of few jurisdictions that have really tabulated what it means. We have done that as a starting point. We have some industries that do it, and because of our inquiries to industry there are now a lot more of them doing it. When we have more data on

which to base our experience, and as the Civil Service Commission develops programs to counsel against this and make supervisors more aware of what the problem is, I think we will make some improvements, but I do not think it is going to be easy or very quick.

Performance appraisal: There has been considerable work done on that in the past couple of years and we have a three-step process. You will be interested to know it is being done at the more senior levels of government and it is hoped that will filter down. Certainly, it is an area where improvements can always be made.

4:20 p.m.

Internal audit was recognized by the Management Board before. It was highlighted by the auditor. It is not a process that develops overnight. However, I think we have now persuaded all ministries that they should have internal audit, and that it is much more than just an audit of money. It is an audit of performance and all that goes with that. We have allocated more staff to the ministries—not a whole lot more, but we have given each ministry up to two more people for their internal audit and they, in turn, are assigning more people internally to internal audit. I think we will see a great payoff in that area in the years to come, which will be of benefit not only to us at Management Board but to the Provincial Auditor himself.

Mr. T. P. Reid: How much is paid out in? Do you have that figure?

Hon. Mr. McCague: I don't right now. I will try to get it for you.

Mr. Newman: I want to make a few comments concerning the publication *Topical*, which I assume is put out by your ministry. I appreciate receiving a copy of it in my constituency office, but I wonder why you only send one copy to a constituency office rather than two. I like to display it, but I cannot display two sides of the same page. I would put them up in a window in my office so that at least the residents in my own community might have a chance to apply for the jobs that are listed.

I would also like to ask the minister how many applicants outside the city of Toronto receive the jobs that are listed in *Topical*. My constituents say they keep applying but they are unsuccessful. As a result, they hesitate even to spend a 17-cent stamp to apply for a job, if they are just going to apply for the sake of correspondence with the civil service. Could the minister or his officials tell me the approximate number of people outside Toronto? I don't care

for exact numbers, but would they say that perhaps one third of the applicants are taken from outside Toronto rather than from the city of Toronto, so that people outside the city do have the opportunity not only to apply but to become gainfully employed?

Hon. Mr. McCague: With very few exceptions, the residency location is not a criterion for employment. I am sure we have thousands of applications for every person who is employed. I think it would likely be the policy of those government agencies in Windsor to hire people from Windsor, because they are probably the only ones who apply. I cannot see somebody in Toronto applying there, and probably the reverse is true. I do not think we could begin to get you the statistics, but I will ask my staff if it is possible to do that. As far as sending you two Topicals, I would be glad to do that, so you will not have that problem.

Mr. Newman: The minister says it will be difficult to know from which municipality the applicants come and to categorize them in that fashion, but when it comes to the jobs that may be available in Windsor, who knows about them? Where is it found out that there are jobs available in Windsor? I have never been able to find out. If you can tell me, Mr. Minister, how we would know that a job is available in Windsor, I would sit down.

Windsor residents assume that because it is in Topical and head office is here in Toronto, only people from the Toronto area are going to get the jobs, even though Windsor residents may be qualified for the jobs. In a community with more than 15,000 unemployed, many of those 15,000 are as qualified as a lot of the people in Toronto. They would love to get those jobs and would be willing to move to Toronto to be gainfully employed rather than stay unemployed in Windsor. We are only looking for our fair share of jobs.

Hon. Mr. McCague: You may have a good point. I am not sure. If it is a Windsor job, does anybody know whether we advertise in Windsor? My staff tells me that if it is a Windsor job we do advertise it in Windsor.

Mr. Newman: Will the minister's staff send me a copy of an ad then?

Hon. Mr. McCague: I also understand, Mr. Chairman, that the Canada Manpower offices carry our jobs.

Mr. Mackenzie: I may have missed it but I am not sure whether the minister responded to the query I made about the position employees are

put in when they are asked for an evaluation by one of the insurance carriers, and whether or not we should be doing this work for the insurance carriers in terms of long-term income protection?

Hon. Mr. McCague: Yes, Mr. Chairman, I did respond to that. That has not been brought to my attention. I do not have any information on that today but I will discuss that with you at a future date.

Mr. Mackenzie: I have one other question, Mr. Minister. In terms of disability in particular, but some of the other plans as well, have you considered or are you considering self-insurance within the government rather than going to some of the carriers?

Hon. Mr. McCague: We tender, as I understand it, for the carrier of LTIP. I understand there is a member of the union on that committee. Is that correct or is that just on the life insurance carrier? It is on both.

Mr. Mackenzie: That still does not answer whether or not you would consider self-insurance and what your arguments are if you would not.

Hon. Mr. McCague: Since I have come to the ministry I have not been in any discussions on that. It may be a possibility. You did raise the question of indexing the LTIP. I understand that too is a matter for negotiation at this time.

The Deputy Chairman: Does any other member wish to participate? We have three minutes remaining. Shall we take the votes item by item at this point then?

Votes 401 to 405, inclusive, agreed to.

On motion by Hon. Mr. McCague, the committee of supply reported certain resolutions.

4:30 p.m.

DOG LICENSING AND LIVESTOCK AND POULTRY PROTECTION AMENDMENT ACT

Hon. Mr. Henderson moved second reading of Bill 18, An Act to amend the Dog Licensing and Livestock and Poultry Protection Act.

Hon. Mr. Henderson: Mr. Speaker, this bill was introduced on April 28, 1981, but it was not dealt with during the spring session. It might be helpful if I made some comments with respect to the act and the purpose of this bill.

The act provides for the awarding of compensation to the owners of livestock and poultry killed or injured by dogs or wolves. In organized municipalities, compensation is paid by the

council. The amount of compensation is determined by the valuer appointed by the council. The owner, if dissatisfied with the amount, may appeal to the livestock commissioner, who appoints a second valuer. A further appeal may be made to a judge of the county or district court.

In any territory without municipal organization, compensation is paid by the livestock commissioner. The amount of the compensation is determined by a valuer appointed by the commissioner. If the owner is dissatisfied, he must appeal to a judge of the district court. The cost of the second valuation by an appeal to the district court places residents in an unorganized territory at a disadvantage in terms of cost and time-consuming procedures. The Ontario Cattlemen's Association passed a resolution at its annual meeting in February 1980 requesting that this disadvantage in cost and time be alleviated for the residents of the unorganized territories.

The main purpose of the bill is to equalize the appeal procedure under the act for all residents of Ontario. To achieve this purpose, the bill amends section 16 of the act to designate agricultural representatives and assistant agricultural representatives as valuers in territories without municipal organization, to receive and investigate claims from owners whose livestock or poultry are killed or injured by wolves. Where the owner is dissatisfied with the valuer's report, he may appeal to the commissioner who then names a second valuer to investigate and report. The appeal to a judge of the district court is also retained.

The bill also clarifies the procedures that apply in the territories without municipal organization by setting them out expressly in section 16 of this act. This makes it unnecessary to determine what procedure for organized territories would apply in unorganized territories.

Mr. Riddell: Mr. Speaker, the three bills we will deal with this afternoon pertaining to agriculture are not of an earth-shattering nature. They are strictly housekeeping bills and we are going to support them.

I would just like to say I think it is a crime and the farmers find it very regrettable that we are dealing with this kind of legislation at a time when they are going through one of the worst economic conditions since the 1930s. We are all busy now attending various meetings: the ploughmen's banquets, the Ontario Federation of Agriculture meetings and what have you. When a member stands up to make a speech and

tells them he is going to be dealing with the dog licensing act, the sheep and wool act and the amendment to the milk act and what have you, they sit back there and say: "My God, what is going on? Why are you not dealing with something that will save us, something that will keep us viable, something that will keep us in the farming operation?"

They cannot believe it when they hear this is the type of thing we are doing in the Legislature at a time when the farmers are encountering serious difficulties.

As far as this bill is concerned, I fail to understand why it has taken all this time to bring in this kind of amendment. I suppose for some time the people in unorganized municipalities have been penalized by having to make appeals through the courts rather than being able to appeal to the livestock commissioner, or it may well be that there have not been too many appeals directed to the livestock commissioner in unorganized municipalities. But to treat them on an equitable basis, this amendment has long been coming and we will certainly support it.

I am just wondering if the minister can tell me what the situation is at the present time in connection with dog and wolf damage. It seems to me back in 1978 we were picking up papers with headlines: "Wolf Problems Worry Farmers"; "Farmers Claim Wolves at Their Doors"; "Wolves Play Havoc with Livestock"; "The Advent of Winter Sees Wolf Trouble"; "Leeds-Grenville Swindled by Wolf Bounty Hunters"; "Bruce Keeps Bounty on Wolves but Cuts Rate." Those are just some of the headlines that appeared in various papers.

That led me to introduce a private member's bill, An Act respecting Predator Control in Ontario, back in 1978, to see if we could bring some of this under control.

Maybe the minister, in responding, could tell us what the situation is now throughout Ontario—not just in northern Ontario, eastern Ontario or southern Ontario—in connection with wolf and dog damage to livestock. I have not heard too much about it of late. Maybe it has been brought under control. If so, what has brought it under control? I am just more or less interested in what kind of damage we are encountering now.

As far as this bill is concerned, as I say, it is a housekeeping bill and we certainly want to see that the unorganized municipalities are treated as fairly as the organized municipalities when it comes to appealing the decisions of an evaluator.

Mr. MacDonald: Mr. Speaker, I shall not take a great deal of the time of the House. I think these bills fall into the category of things that might have been done months ago, perhaps years ago. I will not repeat at great length one of my arguments in the estimates that this ministry has tended to drift so that things that should be done this year do not get done until next year.

They are housekeeping bills. The minister has explained them either in the original introduction or now and the honourable member who has just taken his seat has spoken to them. Nothing more need to be said; therefore, I shall not say it. We will support the bill.

The Acting Speaker (Mr. Cousens): Are there any other members who would like to participate in this debate? The minister?

Hon. Mr. Henderson: Mr. Speaker, I want the honourable members to know that livestock damage costs us about \$125,000 a year. We have about one appeal a month to the livestock commissioner from different areas of Ontario. I think those were the only questions asked.

Motion agreed to.

Ordered for third reading.

4:40 p.m.

SHEEP AND WOOL MARKETING ACT

Hon. Mr. Henderson moved second reading of Bill 19, An Act respecting the Marketing of Sheep and Wool.

Hon. Mr. Henderson: Mr. Speaker, this bill was introduced on April 28, 1981, and was not dealt with during the spring session. It may be useful for me to make a few comments on the content of this bill.

Since 1974, the Ontario Sheep Association has financed its activities on behalf of the sheep industry through a fee charged on the sale of wool under the Wool Marketing Act. The amount raised has not been enough to permit the association to function as effectively as its members would like. The association has therefore requested legislation authorizing a fee on sheep as well as wool.

The bill is similar to the Wool Marketing Act but provides for a fee on sheep sold for meat purposes and wool. The bill establishes a maximum limit on fees of one and a half per cent on the sale price of sheep and wool. The actual amount of the fee, up to that limit, will be set by regulation.

An important feature of the bill is that those persons who so wish may apply for and are entitled to receive a refund of any fees paid by them to the association.

Mr. Riddell: Mr. Speaker, we support this bill. I quite agree the sheep association has to have sufficient funds to carry out its many useful objectives. As a former sheep breeder, I can well appreciate and congratulate the sheep association for the work it has been doing.

We can certainly attribute, I think, the increase in sheep production in this province to the association, and although I think it was their request that we have this amendment made to the bill, one of the major concerns of the sheep breeders still is the amount of lamb that is coming in from the United States, particularly at a time when we are selling our lamb.

It is hard to get an accurate figure on how much of this trading is going on because a lot of this lamb is being sold to ethnic groups in the spring when we are hoping to get a fair, good price for our lamb. That is the main concern, I think, of the sheep breeders at the present time.

As far as this bill is concerned, I suppose the sheep breeder is doubly taxed. He is going to be charged a fee for the wool that he markets, and now, I guess, he is going to be charged an additional fee for the lamb he markets. He is doubly taxed, whereas I may be a farmer who buys this lamb—of course, this is almost a thing of the past, too, but I can well recall when we brought the lambs down from the west, put them in the feedlot, fed them out to 100-pound lambs and then sold them.

Under those circumstances I would be levied a fee for the sheep association, but on the other hand, the fellow who is raising the flock and selling his lambs is going to be doubly charged. He is going to be charged for his wool and for his meat as well. But I would assume they are prepared to do this, because I believe it was the request of the sheep association that this amendment be made so they can bring in more revenue to carry out the very important work they are doing.

Mr. MacDonald: Mr. Speaker, as the member for Huron-Middlesex has just indicated, the sheep association has requested this and, as far as I know, there are no growers, no producers and no farmers involved in the association who have any objection to it, so it is really just providing them with the means to do the job their association was set up to do. It is a high-level housekeeping bill, worthy of support.

Hon. Mr. Henderson: Mr. Speaker, the member for Huron-Middlesex mentioned imports. The federal Minister of Agriculture, Mr. Whelan—and I was trying to ask the member for Elgin (Mr. McNeil)—I think it was two

weeks ago Friday told me he had agreement on the world trade that there would be no more fresh lamb brought in for a one-year period. That does not say that there will not be frozen lamb, but that would be very helpful.

I should have told the honourable member the reason I was not here. I was up in Hanover, meeting the organization of farm women. We had a very good meeting, and I might say the other three Liberal members from that area were there.

Motion agreed to.

Ordered for third reading.

LIVESTOCK BRANDING AMENDMENT ACT

Hon. Mr. Henderson moved second reading of Bill 74, An Act to amend the Livestock Branding Act.

Hon. Mr. Henderson: Mr. Speaker, this bill was introduced May 21, 1981, and was not dealt with in the spring session. It may be useful if I make a few remarks on the content of this bill.

At present, the Livestock Branding Act requires registration of every brand used on livestock. The use of individual distinctive brands for each animal has become attractive as a means of identifying individual registered purebred animals. Under the present act, the purebred livestock owner would be required to register each such individual brand. This is not practical and is not necessary to carry out the intent of the act, which is basically to provide for herd brands.

The amendment therefore exempts from this act that kind of individual brand where it is part of a purebred livestock identification program. This amendment was requested by the Canadian Arabian Horse Registry and the Canadian Standard Bred Horse Society. At the same time, because branding may readily be used for animals other than horses, cattle, sheep and fowl, we are proposing to provide for designation of additional classes of animals by regulation.

Finally, the present fee structure is built right into the act. The bill repeals that fee structure and provides for fees to be set by regulation. This will permit fees to be more readily adjusted to meet the changing costs of administration of this program.

Mr. Riddell: I must admit, Mr. Speaker, this is one bill that I am not too clear about. A purebred breeder in the past has been assigned initials that he can use and that have been

registered. In other words, if I made application as a purebred breeder of short-horn cattle for registration, I would be given some initials; maybe it was WKR. Then I would proceed to use WKR when tattooing all of those animals, along with the number; maybe WKR-1 for one of the calves, WKR-2 for another one, and on down the line, each of which I believe has to be registered.

But now the minister is telling me that the purebred breeders are getting away from identifying their animals by tattoo and they are starting to brand their animals. He is telling me now that the brand does not have to be registered. I am just not clear. Every purebred animal that is tattooed has to be registered; is that not right? If I decide to brand my animal WKR-1 or WKR-2, do I have to register that animal? I am a little vague because I am not that familiar with branding. It is something that is new to me.

I know out west they slap a brand on their cattle so that they can identify the cattle in case they wander away or in case they are rustled or something of this nature; but I am not clear when it comes down to the purebred end of it. I take it the breeders are starting to use a brand now instead of a tattoo in the ear. If they are still required to register that animal by tattoo, why aren't they also required to register the animal with the brand? Maybe I am just not understanding this thing right, but I would appreciate the minister's explanation. I am going to support the bill. It is just that I am not clear what it is all about.

4:50 p.m.

Mr. MacDonald: I shall be interested in the minister clearing up the foggiess on the part of the member for Huron-Middlesex on this point. Otherwise, the bill is worthy of support.

Hon. Mr. Henderson: Mr. Speaker, this is from my staff. I have two explanations here. They are both the same. Some associations are asking for identification by a brand rather than by a tattoo. The present act would require an individual to have brand registration. Those would not be eligible by a tattoo. Let me read you the original briefing material:

"The general purpose of the bill is to remove individual identification of purebred livestock from the act. The present act requires an individual brand be used to identify a single purebred animal to be recorded as a brand under the act. Also, the bill provides for an additional class of animal to be classed as

livestock for the purpose of the act. At present, the act is restricted to horses, cattle, sheep and fowl. The bill provides for fees to be established by regulation.

"At present, the fees are spelled out in the act and therefore cannot be readily changed to reflect"—that is not what the member wanted—"The intent of the Livestock Branding Act is to provide for the registration of one brand by a livestock owner to be used to identify all the owner's commercial livestock.

"The act requires that every brand used be registered and it is an offence to brand any animal by a brand that has not been officially registered under the act. For registration purposes, purebred livestock must be individually identified. Such identification is usually done by tattoo or ear tag methods, which do not contravene the current provision of the act.

"Branding as an alternative method"—only as an alternative—"is receiving increasing attention by breed associations. Since each individual purebred animal must be identified individually, the present act would require a separate brand registration for each purebred animal identified by branding. This is not practical for purebred livestock breeders and is not essential to fulfil the purpose and intent of the act.

"The Canadian Arabian Horse Registry and the Canadian Standard Bred Horse Society have requested that the Livestock Branding Act be amended so that the purebred animal identified for registration purposes by means of a brand be exempt from the act."

Motion agreed to.

Ordered for third reading.

THIRD READINGS

The following bills were given third reading on motion:

Bill 22, An Act to amend the Racing Commission Act;

Bill 47, An Act to establish a Corporation to Promote Innovation Development for Employment Advancement;

Bill 84, An Act to amend the Ministry of Community and Social Services Act.

BUDGET DEBATE

(continued)

Resuming the adjourned debate on the amendment to the amendment to the motion that this House approves in general the budgetary policy of the government.

Mr. Runciman: Mr. Speaker, I think it is well known to all that on this side of the House we think about people. We think about their needs and we develop policies and programs that answer those needs. Our senior citizens have always had a special place in the heart of this government and budgets throughout the year have reflected our pragmatic and sensible approaches towards this special group. I would like to digress for a moment and recall some of our past initiatives in providing a secure financial future for all our seniors.

In last year's budget the property tax and sales tax grants programs provided a major first step in providing seniors with the kind of direct tax relief they deserve. Under the old credit system, average renters and home owners received benefits, indirectly of course, of between \$285 and \$295 toward their property taxes. Under the grants system, these same home owners receive between \$400 and \$500 directly in cash for their property taxes. During 1980, approximately \$268 million in property and sales tax grants were delivered to home owners and renters—approximately 500,000 home owners and renters in the province. In the Metropolitan Toronto area last year, \$59.5 million was distributed to 136,000 seniors. That works out to an average grant of \$435. As of early April this year, first instalment payments totalling \$110 million have been sent out to seniors, and that works out to an average payment of \$210.

Another thing to consider under the new program is that the elderly no longer have to go through the confusion and inconvenience of filling out the Ontario tax credit portion of their income tax forms. We also have the Gains program, which gives financial assistance to seniors with incomes below \$5,000 a year. Last year, Gains payments amounted to \$103 million. Home heating credits were introduced into this year's budget. In spring 1982, seniors will receive a \$60 home heating grant to help offset high fuel costs.

At the present time, people 65 and over comprise approximately nine per cent of our population, or more than 800,000 people. By the year 2000, approximately 1.4 million or 14 per cent of Ontarians will be over 65. This growth in numbers is going to have a tremendous impact on all aspects of our society, and especially government programs. In looking at the long-term effects of this ageing process we have to decide the best means by which we can accommodate the needs and wants of our elderly within our system of government and service

structures. It is impossible for governments to fulfil all social needs. In fact, the only people who expect us to cough up endless social service dollars are the members of the third party.

The people of Ontario, on the whole, are a pretty resourceful bunch. They recognize, as we do, there are limits to what government can do and there are limits to the amount of taxes anyone can pay. It has long been the policy of this government to encourage independent community living for seniors. This reflects our changing population trends.

Back in the 1940s, which is not all that long ago, the average male could expect to die before reaching retirement age, while the average female lived four or five years longer. Today, life expectancy at birth has increased to 71 years for men and 78 years for women. As the proportion of the taxpaying labour force diminishes, social service and health programs will come under an increasing strain. We cannot afford to pursue policies that create dependence. We can and do have programs to assist people in staying independent, and we have a wide range of programs that fulfil people's needs at various stages of their lives.

It is also important to remember that less than nine per cent of our elderly live in group accommodation, such as nursing homes and homes for the aged. To encourage independent living is a reflection of the present situation.

5 p.m.

A good example of this is housing subsidies provided through the Ontario Housing Corporation. Generally, rents for seniors range from 20 to 25 per cent of income and this includes heating, water, electrical and other charges. People 60 and older who are capable of looking after their daily needs may apply for the apartments. This program allows seniors to remain and participate in the community at a relatively low cost.

Once people are no longer able to manage on their own, there are a variety of services that can be brought into the home. The home care program administered by the Ministry of Health allows patients of all ages to recuperate at home with the assistance of visiting nurses, social workers, visiting homemakers and Meals on Wheels. Family members are encouraged to participate in the day-to-day care of the patient and very often patients recover faster in their familiar home environment. Costs are also lowered since patients do not need to spend so much time in the hospital, which frees beds for

those people who do need higher levels of care. Chronic home care programs are also being expanded across Ontario.

Nursing homes supply a balance between personal care and the companionship of others. In 1972, Ontario had a little over 22,000 licensed nursing home beds. Today there are over 28,000. We subsidize a portion of the extended care cost. In 1974, we spent \$63 million on this program. In 1980, we spent approximately \$163 million. The increase in funding for this program over a six-year period amounted to more than 150 per cent.

While nursing homes provide a variety of services that suit a large proportion of our elderly, their medical resources are not equipped to handle the needs of the very frail, very old clients. The numbers of chronic and extended beds are being expanded to handle the next stages of care. These have been increased by approximately 6,800 over the past five years. In the Metro Toronto area, chronic beds have been approved at the Queen Elizabeth, the Salvation Army, Scarborough Centenary and West Park hospitals.

Earlier this year the Premier (Mr. Davis) announced that a replacement chronic hospital has been approved at the Baycrest Centre for Geriatric Care. The province will contribute \$27 million or two thirds of the capital cost and construction is slated to begin next year. The new Baycrest will focus on ambulatory and outpatient programs which will help seniors in the area maintain their independence.

The policies we have developed are designed to ensure that the needs of our elderly are met to their satisfaction and to the satisfaction of the taxpayers. We know in the future there will be a smaller working population contributing the dollars we need to fund the programs. It is unlikely the costs of these programs will go down.

This year a five-year co-operative program to expand and renovate homes for the aged was announced. This government, with the assistance of municipalities and charitable organizations, will spend a combined total of \$40 million to improve homes across the province. By 1986, Ontario seniors will have an even greater choice of programs and services to enjoy. Homes for the aged and elderly persons centres offer a variety of services to assist seniors in the community. Meals on Wheels, day care, counselling and recreational programs are important in maintaining contact between seniors and helping them to function and remain in their homes as long as possible.

The government has promoted the idea of people helping people through the link skills exchange program. Seniors with skills and time assist one another when services are needed. No money is involved. The services are paid for by link exchange cards that have been earned by providing services to others.

The Ministry of Community and Social Services and the Advisory Council on Senior Citizens provide Ontario's elderly with a great range of services and advice. The ministry has prepared books on retirement planning and activities and the council publishes and distributes a quarterly newsletter to approximately 760,000 people. Since 1974 the council has worked to recommend changes in policies and programs within all ministries concerned with providing services to the elderly.

There has been talk about the possibility of creating a seniors' secretariat just as we have a youth secretariat. I think this would be an excellent vehicle to co-ordinate and centralize program policies in government.

As members of this assembly, we are not yet faced with some of the problems of senior retirement, such as a drop in income or limitations imposed because of physical frailties. We have to be open to changes and suggestions that would benefit the elderly. We must continue to listen to them. At the same time, we must recognize that we cannot be the sole provider of assistance. Other levels of government, private agencies, businesses and, most important, the family, have responsibilities as well. Something that might be considered is encouraging families to look after an elderly relative by providing an adult tax credit, much like the child tax credit, which would help to defray the support costs.

Any number of reasonable actions is possible. We in this House can do our part by bringing our suggestions and ideas forward for debate and by giving our support to policies and programs that will enrich the quality of life that is so important to Ontarians of all ages.

The Deputy Speaker: The member for Sudbury East.

Mr. Ruston: Mr. Speaker—

The Deputy Speaker: Oh well—

Mr. Martel: Mr. Speaker, I might just ask—

The Deputy Speaker: Yes. I might have been a little quick there.

Mr. Ruston: I move the adjournment of the debate.

The Deputy Speaker: The member for Essex North has moved the adjournment of the debate. Does the motion carry?

Mr. Ruston: Are you going to speak now?

Mr. Martel: Mr. Speaker, all I would like to do is to indicate that our speaker had just stepped out for a moment and I was just asking your indulgence to wait a moment until he returned.

The Deputy Speaker: The motion is withdrawn.

Mr. Philip: It is a pleasure to take part in this debate on the budget. The speech I am about to give could perhaps have been more appropriately given as part of the leadoff statement by our party in the justice committee. However, unfortunately, because of the arbitrary decisions of the chairman of that committee who seems to run it as though it were a fiefdom of the Conservative Party rather than acting as a chairman should, it will not be possible to make that speech in that committee. Therefore, I would like to deal with some very important issues dealing with housing, which is the area I am responsible for in our party, and more particularly, housing issues as they relate to the Ministry of Consumer and Commercial Relations.

In 1974, Central Mortgage and Housing Corporation did a survey. They concluded that low income seniors, single parents and single person households are the most likely to benefit from rent controls. It is widely known that the proportion of seniors to the rest of the population is expanding rapidly and the percentage of single person households has quadrupled in the past 25 years. More than 70 per cent of families in public housing in Ontario are of the single parent type. Moreover, high interest rates are cutting down heavily on the number of households that would otherwise be able to buy homes. Indeed, under the present rent review system, mortgage rates are driving up the price of private rental accommodation.

It would hardly seem the time, therefore, to reduce protection to these people who have a need. Rent control legislation now covers only 960,000 out of 1.5 million rental units in Ontario. Therefore, there are large numbers of people, particularly those living in suburban areas such as Rexdale, which I represent, and Scarborough and Mississauga, who are not covered by rent review at all, thanks to the present Conservative government.

Those who want to do away with rent review

or weaken it, as the Conservative Party has attempted to do, should understand that the rhetoric about the free marketplace simply has no bearing and no relevance in areas like Metropolitan Toronto. To decontrol rents might make sense if there really was competition in the rental field in Toronto. In fact, that is not the case. If we look at areas like Metropolitan Toronto we see increased corporate concentration and monopoly in the area of rental accommodation.

5:10 p.m.

As in other important markets, the free enterprise ideal of many sellers competing for the dollars of many buyers and setting commodity prices via the perfect competition is simply a myth, particularly as it relates to our larger urban areas in Ontario. The lion's share of the market for land, new housing and rental units is concentrated in the hands of a small number of large development corporations.

Peter Spurr pointed out in his massive 1976 study on land and urban development, and I quote: "In most of the larger centres in Ontario, Alberta, Saskatchewan and Manitoba, over 75 per cent of new residential lots are produced by a small minority of all developers. The fact that much of the land slated for urban development around most large centres is controlled by a few owners, together with the process of controlled urbanization itself, creates conditions within which land becomes a relatively scarce commodity. As any monopolist worth his salt knows, control of a scarce resource is the stuff out of which superprofits are made."

In 1978, the Ontario Economic Council study by R. A. Muller, entitled *The Market for New Housing in the Metropolitan Toronto Area*, found that the six largest development firms controlled the following percentages of registered building lots: Durham, 98; Halton, 67; Metro Toronto, 58; Peel, 59; York, 71. In addition, the study found a high degree of concentration in building over 1973 and 1975, with the six largest firms erecting the following percentages of the main types of residential buildings: Durham, 61 per cent of ground units and 100 per cent of apartments; Halton, 36 per cent of ground units and 91 per cent of apartments; Metro Toronto, 22 per cent and 27 per cent respectively; Peel, 29 per cent and 48 per cent respectively; York, 36 per cent and 87 per cent respectively.

Such concentration gives leverage to the major development firms, permitting them to manipulate the overall supply of housing—

especially of certain types of shelter, that is high-rise apartments, condominiums, row housing and so forth—in order to maximize the profits. Thus, those who would justify the removal of rent review seem to indicate that somehow competition and the increase in the production of apartment buildings and rental units would somehow bring down the price, or work to the advantage of tenants. In fact, when dealing with a monopoly situation, nothing could be further from the truth.

Another argument that is being used is that somehow it is unfair to landlords to leave the unjustified increases at six per cent. However, if we look at a study done at the University of Toronto by Professor Dale Martin, an economist, we find he deals with exactly how profits are made in the rental area. One of his conclusions is that an investment in rental accommodation is not like an investment in industry or manufacturing. Indeed, under the Ontario rent review program, which is designed to control unjustified increases over six per cent, it allows a pass-through to tenants of all operating costs and financial costs, including both principal and interest payments on mortgages.

In other words, rent review both guarantees that landlords do not lose money on the operation of their buildings, and ensures a reasonable rate of return or profit through merely having or owning the building. In fact, a landlord can have a tax-free minimum, real profit rate of 22.7 per cent based on investment, while, at the same time, claiming to show no profits for either rent review or for taxation purposes.

Two anomalies in the real estate industry make traditional techniques of determining profits inappropriate. First, the assets in the real estate industry—that is, buildings and lands—are increasing in great value at a rate much higher than inflation. In industries such as manufacturing, assets like machines and factories decline in value as they wear out.

In other words, Mr. Speaker, if you or I had \$150,000 to invest and invested it in machinery to manufacture a product, the day after purchase, that machinery would probably be worth 80 per cent of the amount we paid for it. On the other hand, if we were to invest in a building, that building increases in value year after year rather than decreasing. Therefore, it is completely inappropriate to use the simplistic kind of logic which the Minister of Consumer and Commercial Relations (Mr. Walker) has used in saying that six per cent is not enough in a highly inflating economy.

Second, the amount of money initially required to make an investment is much less in real estate than in other industries. In order to own rental property, only a small portion of its value, usually 10 or 15 per cent, is required. That is why we can explain that a landlord in Toronto in recent years would have averaged—without showing any of his profit whatsoever for rent review and for taxation purposes—an appreciation on his investment of 22.7 per cent, according to this research study done at the University of Toronto.

It is very simple. If there is a building one can purchase for \$1 million, one puts down 15 per cent. Those of us who have represented tenants at rent review hearings know very well 15 per cent is acknowledged as a reasonable amount for a deposit on a building by rent review, and anything over that is counted and passed on to the tenants. On a \$1-million building with \$150,000 down, if that building were to go up even five per cent, one would have had an appreciation of some \$50,000. Fifty thousand dollars on a \$150,000 investment is not a bad return on one's money.

It is simplistic to call for the removal of rent review or for the raising of the base on grounds that landlords should be allowed the same kinds of income increases as those of other businesses. They are not in the same kind of business as manufacturers and other people in other businesses.

I found it very interesting that during the election campaign the Premier (Mr. Davis) felt very defensive and said that as long as he were Premier rent review would not be removed or abolished. That raises a number of questions which he never did answer. First, we are not assured that he will continue to be Premier for even this term. Second, he refused to state in what form rent review would remain in force.

We know what has happened in other Tory-controlled provinces. Whether one calls them Progressive Conservative governments or Social Credit governments, it is the same thing. There, rent review may be on the books, but it is so degutted, so meaningless that for all intents and purposes it serves no purpose whatsoever.

One would think if the Premier were really keeping the promise, really intent on keeping rent review in the form in which it was introduced or, as we have suggested, strengthening it, he at least would have appointed as his minister one who clearly believes in the rent review process and is on record about that.

I would like to read a dissenting opinion of the

present minister, the member for London South (Mr. Walker). This gives a good insight as to exactly where that minister—the minister the Premier really understood had no respect for, no inkling for and no desire to keep rent review—where that minister stands exactly on the rent review issue. This was the dissenting report in the 1978 report of the standing committee on general government on policy paper 13.

5:20 p.m.

Members may recall that recommendation 6(a) said, "The existing annual increase guideline of six per cent be retained until December 31, 1979, and for the second year the amount of the guideline be reconsidered, either as a proposal by the government of Ontario or by the assumption of the responsibility by the tribunal established to administer the program; but in either case the guideline shall reflect the actual increase or decrease of residential operating costs for rental accommodation as defined."

The minister has a strange kind of contortion and I read the dissenting report to members both for their information and perhaps for their amusement, if playing with the lives and incomes of tenants could in any way be seen as amusing.

He says: "I cannot accept the six per cent guideline for annual rent increases as proposed in paragraph 6(a), and for this and other reasons, must therefore dissent. The reason for my dissent is the unnecessary expenses it imposes on tenants throughout the province." So he is the great hero on behalf of tenants, of course.

He says, "The evidence at our hearing is overwhelming that such a fixed figure, originally established as a ceiling guideline, in fact becomes in practice a floor." This is the gentleman who says to the press that perhaps that floor should be raised above six per cent. We have read about it recently.

He says: "Vacancy rates throughout the province vary. In London they are seven per cent. Such a vacancy rate makes a rent increase of six per cent impossible to attain. A three or four per cent increase would be more likely, given the market, which, with that vacancy rate, favours the prospective tenant. Because there is a six per cent guideline, the evidence is clear that it becomes a more or less government-sanctioned figure which owners adopt, of course at the expense of the tenant, who would probably have paid far less in a free market without rent control in existence."

We have seen what happens in the free

market without rent control and, indeed, what happens is that rents go up substantially more than under a rent review system.

He says, "For those reasons I feel it would have been better to continue tenant protection without this six per cent floor, but, at the same time, permit any tenant to initiate any application for rent review regardless of the increase"—he apparently does not understand that is possible under the act anyway—"if the tenant felt the increase to be unconscionable."

I have challenged rent increases of six per cent. As a matter of fact, in one case in North York I was able to get it rolled back to a zero per cent increase because the landlord was not able to justify any increase. What the minister is saying is that we should do what we are already doing now.

He says: "If the floor guideline were lowered to zero, I am convinced many tenants in London and all over the province would enjoy a far lower increase than the six per cent artificial floor. Such is the effect of eliminating guidelines where vacancies are abundant." That is an interesting kind of flip from his present statements reported in the press.

He goes on, and I think this is the key. Perhaps the Premier should have read this before he appointed him Minister of Consumer and Commercial Relations. He says, "Rent control"—he uses the word "control," I use the words "rent review" because there are no controls, it is a pass-through; nor is any party advocating a rent control system rather than rent review—"Rent control is not the answer to rent increases that are unconscionable. The best answer is abundance of supply of housing units. Landlords will not increase the supply of rental housing when some bureaucrat is arbitrarily setting his return on investment rather than the free market forces."

What we have here is a clear statement by the minister the Premier has appointed to head up the rent review program, a clear statement that he does not believe in rent review at all. He says, "Canadians are the best-housed people," and goes on with the usual rhetoric that is so often heard from that side of the House: "It is recognized that the problem is not one of rent increases, but rather one of affordability of accommodation."

The people who are being thrown out of their homes in the Yonge-Eglinton area by the conversions that this government has seen fit to do nothing about see it also as one of affordability. They cannot afford to buy the new condomin-

ium at \$200,000 or \$300,000 or whatever is going to be charged for that, and they cannot afford to move into any of the newer buildings that are built in the area but are not covered under rent review, and they do not want to go on a long list—which is getting longer and longer every day—for seniors' accommodation on a geared-to-income basis by this government, and so they see it as an affordability problem too.

But the affordability problem is created by the inaction of this government, both the Minister of Consumer and Commercial Relations and the Minister of Municipal Affairs and Housing (Mr. Bennett).

The former goes on to say, "An across-the-board rent control becomes, in effect, an income redistribution system." Perhaps he would rather have the government out there paying out of our taxpayers' money to have an income redistribution system than to deal with it in a regulatory way so that the taxpayers are not so affected. That is what this Tory government has done.

In April 1981 the then Ministry of Housing embarked on an extensive questionnaire survey at an estimated cost of \$250,000 on the impact of rent control in Ontario. The survey was supposed to be completed this fall. We have not seen it yet. Maybe the minister has it, I do not know. It would be nice if he could at least table it and send it over to us. Why has it not been tabled?

In early September 1981 the Minister of Consumer and Commercial Relations expressed the opinion that the six per cent ceiling on rent increases, in the light of current levels of inflation and high interest rates, is totally unrealistic. "Rising interest rates and energy costs," he said, "have greatly increased the costs of landlords, and therefore rent increases must be in excess of six per cent."

The fact is that during the first six months of 1981 there were 912 landlord applications for rent review affecting 30,000 rental units submitted to the commission, and over a similar period in 1980 there were 454 applications involving 13,620 units. In the second quarter of 1981, there were 328 landlord applications for rent review submitted to the commission of Metropolitan Toronto and this compares with 133 applications for the same period in 1980.

So what we see is that those landlords who are facing the problem of renegotiating mortgages, second mortgages, are in fact going to rent review and asking for the rents to be increased to reflect that. That is the system that was

established; I don't know why the minister would want to scuttle a system that has been working or that he and his government feel has been working over the years.

An application by the new owners of Sutton Place apartment hotel for rent increases of up to 100 per cent has generated particular publicity in this city since it would affect the rents paid by at least 11 MPPs, including the Minister of Consumer and Commercial Relations. If the rent increase requested by the landlord is approved, the minister's own rent would rise from \$452.24 to \$780 a month. So for the minister somehow to say that the rent review system is not working when even his own landlord finds it simple enough to pass on his increased costs to the tenants, including himself, is simply nonsense.

Rent control, when it was first introduced in 1975, had a higher ceiling. In 1977, it was dropped. If we look at what is happening in the rent review system, one of the things we would want to look at is the impact of the possible rent ceiling change on tenants. The fact is that an upward adjustment in the rent ceiling would lead to higher rent levels in the 960,000 controlled rental units in Ontario, including the 450,000 controlled units located here in this one city of Metropolitan Toronto. Such a change in the rent review legislation would affect one million Metropolitan Toronto residents or, in other words, 38 per cent of the population of Metropolitan Toronto.

5:30 p.m.

The Federation of Metro Tenants' Associations has established that if landlords in Metropolitan Toronto in the coming year were to be allowed an automatic change at 12 per cent, rather than a six per cent increase, \$100 million would be transferred in one year from tenants to landlords. An increase in controlled rents might also result in comparable rent increases in the 540,000 rental units in Ontario that are exempt from rent controls.

In 1980, a survey of rental increases in Hamilton, London, Ottawa, Thunder Bay, Metropolitan Toronto and Windsor, sponsored by the Ministry of Housing, found that the median annual percentage rent increase ranged from 4.2 per cent in Thunder Bay to six per cent in Metropolitan Toronto. The impact of rent controls is cited as an explanation for the moderate increases in those cities.

Housing survey data for 1974 of nine major Ontario urban centres indicated that those with low incomes are much more likely to rent than

those with higher incomes, and this data indicated that 61.1 per cent of those with incomes under \$10,000 were tenants compared to 40.7 per cent of those with incomes from \$10,000 to \$19,999 and 21 per cent of those with incomes of \$20,000 and over.

This 1974 information also indicated that tenants are more likely to have accommodation affordability problems than owners. In 1974, 15.8 per cent of owners in the surveyed cities spent 25 per cent or more of their household income on housing expenditures, compared to 29.7 per cent of all tenants who spent 25 per cent or more of their household income on housing expenditures. In addition, only 6.3 per cent of owners, but 14.4 per cent of renters, paid 35 per cent or more of their income on shelter.

Thus, what we are trying to put before you, Mr. Speaker, is the fact that the households that are most protected by rent review are those with the lowest incomes: the middle class and working class of this province.

Household income information for Metropolitan Toronto for 1979 indicates that 24.7 per cent of households that rented their dwelling units and 10.7 of households that owned their dwelling units had incomes under \$10,000. Furthermore, 61.3 per cent of renter households and 35.5 per cent of owner households had incomes under \$20,000. This data would seem to indicate that tenants tend to have lower income profiles than owners, and supporters of the present method of rent control would, therefore, be right in claiming that this data demonstrates the need to keep the present ceiling and structure and controls.

On balance, it appears that, over the short term certainly, any adjustment to rent control ceilings would have detrimental impact upon tenants. The earlier research I have dealt with concerning the monopoly by large corporations on land and on the building of apartments would certainly indicate that in the long term, since there is an absence of competition in areas such as Metropolitan Toronto and other urban areas in Ontario, some form of the rent controls must remain on as a way of controlling the exploitation through monopoly by these large corporations.

Much has been made—and there was a landlord debating the very point with me on Metro Morning—of the case that somehow small landlords are faced with the huge bureaucracy of rent review, therefore it is a procedure that is very time consuming and, in the case of large landlords, extremely time consuming. I

would like to point out to the minister that the Residential Tenancies Act, 1977, introduced a procedure that we in the New Democratic Party had asked for since 1975, which is for whole building rent review whereby rent increases for all suites in a building are consolidated and are handled at the same time.

Under the former act, the landlord could submit applications only for those units on which he wished an increase greater than six per cent. This process resulted in several hearings in the year. In the case of one building that I represented over and over again—35 Duncanwoods Drive, in the borough of North York but in the provincial riding of Etobicoke—I think we were at rent review once a month because each of the groups of apartments in the building would come up. This was demoralizing and expensive, not only for the landlord but also for the tenants in that building who constantly had to organize their meetings and try to get the tenants' association involved on a monthly basis.

With the amendment we had asked for in 1975 and which was finally seen to by the government in 1977, a new procedure was instituted to reduce the number of individual rent review hearings and to allow the commission to work towards equalizing rents, which made it a much simpler process.

I think it is wise to look at what happened in Alberta when rent review was removed. Rent review was removed from the last segment of Alberta's rental housing market on July 1, 1980. The review system was gradually lifted in various other portions of the rent market beginning in mid-1977 and the low rental apartments were the last to be deregulated. The rationale was that this would protect lower-income renters for the longest period of time.

I guess one would have to ask the question, what is the rationale of preventing somebody from hardship? Does it make any sense to introduce hardship slowly rather than quickly? This is a kind of silly rationale that somehow slow torture or torture that comes five years down the line is less severe than torture that takes place immediately. The question is, why have the torture at all?

In the immediate period following the removal of controls, some tenants in Edmonton and Calgary faced rent increase of up to 35 per cent. Rents in Calgary are established or estimated to have increased at the annual rate of 20 per cent to 25 per cent since lifting of the controls. The experience in Alberta of removing rent review

has shown what will happen in this province if such a procedure is followed by this government.

The Alberta government accompanied the lifting of rent controls with a \$500-million program to finance mortgage payments, subsidies and loans to builders in order to assist the provision of affordable housing. Even with that we find that housing starts were down. So we have the worst of all worlds: we have the government sticking its hand into the taxpayers' pocket and handing out \$500 million and we have fewer housing starts none the less.

5:40 p.m.

Any talk by this government of removing rent review would no doubt be accompanied by large grants to developers with some kind of rationale that this would increase the number of housing starts, but it has not proved to be the case in Alberta.

As I pointed out to Mr. Cosgrove in a debate I had with him on the Shulman File, when he was advocating on behalf of the federal Liberal Party that rent review should be removed and gutted, the Alberta situation seems to indicate clearly that the removal of rent controls does not in itself lead to any dramatic increase in housing starts. In fact, the opposite was the case in Alberta.

As long as we have the kind of high interest rates that the federal Liberal government seems intent on keeping, we can expect housing starts to be extremely low, regardless of what other action is taken in the removal of rent review or that kind of thing. It simply will not happen.

Paul Hellyer, the former Liberal cabinet minister who chaired a task force on housing and urban development in 1969, wrote a very interesting statement recently. He said: "We have a dearth of new rental units, but for a different reason: the high interest rates. The cost of a new 800- to 1,000-square-foot apartment including land is about \$45,000. Borrowing that much money at current rates means about \$10,000 a year for interest alone, not to mention taxes, heat, light and maintenance. So economic rentals of new apartments fall in the \$1,000-a-month range and how many people can afford it? For that reason it would be criminal to remove rent controls..."

That came from Paul Hellyer. I am not sure which party that gentleman belongs to now. He started his own for a while. I know it is not my

party. It would be either the Liberals or the Conservative Party; it is hard to tell the difference at times.

Mr. Ruston: Maybe it is Social Credit he belongs to.

Mr. Philip: Maybe Social Credit, that is a possibility.

He says, "For that reason it would be criminal to remove rent controls on existing apartments now. Rents would tend to rise upward towards the replacement cost and the result would be ruinous for thousands of people with low and moderate incomes."

I attended the International Conference on Condominiums held in Toronto a few months ago. One of the seminars I attended, which I found very interesting, was put on by some developers who were specialists in condominium conversion; that is, the converting of rental accommodations to condominiums. One of the things they pointed out was that the best market for moving in with that kind of thing was after rent review came off. The rationale is very simple. If you want to take a building that is only worth \$1 million and sell it for \$2 million, one of the things you want to do is to sell a large percentage of the units to people who are already living in the building.

One of the rationales they used was to get rid of rent review. Rents go up and then they are able to come in with a market price that is within \$40 or \$50 of the rent. Those people who can afford it will automatically be encouraged to buy their own unit. Therefore, the developers are able to get in and out quickly and sell their \$1-million building for \$2 million, chopped up in little pieces.

Of course, what they were not able to answer and what they did not seem to be concerned about was, as Ralph Nader pointed out at that

conference, what happens to all the senior citizens and other people who are being displaced.

We saw that the other night when the member for Ottawa Centre (Mr. Cassidy) and I attended a meeting in the riding the Attorney General (Mr. McMurtry) represents. There was an empty chair there with his name on it. He did not have the guts to face his own people that night. In the audience were the silver-haired people who were going to be thrown out of their apartments. The minister who represents that riding did not think enough of those people to show up and listen to their concerns.

Those of us who did were impressed by the fact that these were desperate people. Many of them had activities and a life centred in that community. Many of them attended the synagogues and other facilities that were available locally. Many of them were not wealthy people; they were renting in that building and they could never afford the \$200,000 or \$300,000 or whatever the converted unit would cost. They were going to be out on the street looking for accommodation.

That is the kind of thing that may now be happening primarily in inner cores of cities but that would be seen over and over again were rent review abolished or gutted, as this Conservative government seems intent on doing.

I have a few other comments to make. I would like to continue the debate at a later time.

On motion by Mr. Philip, the debate was adjourned.

Hon. Mr. Wells: Mr. Speaker, since there is a ceremony downstairs tonight at six o'clock honouring police and firemen, I think it is appropriate now to move the adjournment of the House so that members who wish to attend may do so.

The House adjourned at 5:47 p.m.

CONTENTS

Monday, October 26, 1981

Statements by the ministry

McMurtry, Hon. R. R., Attorney General and Solicitor General:	
Committee on witnesses.	2827
Norton, Hon. K. C., Minister of the Environment:	
Fish testing program.	2828
Ramsay, Hon. R. H., Provincial Secretary for Resources Development:	
Report on peat.	2827

Oral questions

Bennett, Hon. C. F., Minister of Municipal Affairs and Housing:	
Conversion to condominiums, Mr. Cassidy, Mr. Smith, Mr. Philip.	2834
Shoreline protection, Mr. Swart, Mr. Ruston.	2836
Niagara region headquarters, Mr. Bradley, Mr. Swart.	2837
Davis, Hon. W. G., Premier:	
Assistance to Polish people, Mr. Ruprecht, Mr. Mackenzie.	2835
Drea, Hon. F., Minister of Community and Social Services:	
D'Arcy Place, Mr. Foulds.	2838
McMurtry, Hon. R. R., Attorney General and Solicitor General:	
Campaign expenses, Mr. Cassidy.	2833
Norton, Hon. K. C., Minister of the Environment:	
Dioxin in fish, Mr. Smith, Mr. McClellan, Mr. Kennedy.	2828
Snow, Hon. J. W., Minister of Transportation and Communications:	
GO Transit services, Mr. Kolyn, Mr. Smith.	2839
Stephenson, Hon. B. M., Minister of Education and Minister of Colleges and Universities:	
University funding, Mr. Smith, Mr. Cassidy, Mr. Sweeney.	2832
Timbrell, Hon. D. R., Minister of Health:	
Nursing home charges, Mr. R. F. Johnston.	2837
Niagara River pollution, Mr. Haggerty.	2838

Committee of supply

Estimates, Management Board of Cabinet, agreed to.	2840
---	------

Second readings

Dog Licensing and Livestock and Poultry Protection Amendment Act, Bill 18, Mr. Henderson, agreed to.	2852
Sheep and Wool Marketing Act, Bill 19, Mr. Henderson, agreed to.	2854
Livestock Branding Amendment Act, Bill 74, Mr. Henderson, agreed to.	2855

Third readings

Racing Commission Amendment Act, Bill 22, Mr. Walker, agreed to.	2856
---	------

The IDEA Corporation Act, 1981 , Bill 47, Mr. F. S. Miller. agreed to.	2856
Ministry of Community and Social Services Amendment Act , Mr. Drea, agreed to.	2856

Budget debate

Mr. Runciman.	2856
Mr. Philip.	2858

Other business

Ontario medals for bravery , Mr. Speaker.	2840
Adjournment	2864

SPEAKERS IN THIS ISSUE

Bennett, Hon. C. F.; Minister of Municipal Affairs and Housing (Ottawa South PC)
 Bradley, J. J. (St. Catharines L)
 Breithaupt, J. R. (Kitchener L)
 Cassidy, M. (Ottawa Centre NDP)
 Conway, S. G. (Renfrew North L)
 Cousens, D.; Deputy Chairman and Acting Speaker (York Centre PC)
 Cureatz, S. L.; Chairman (Durham East PC)
 Davis, Hon. W. G.; Premier (Brampton PC)
 Drea, Hon. F.; Minister of Community and Social Services (Scarborough Centre PC)
 Foulds, J. F. (Port Arthur NDP)
 Haggerty, R. (Erie L)
 Henderson, Hon. L. C.; Minister of Agriculture and Food (Lambton PC)
 Johnston, R. F. (Scarborough West NDP)
 Kennedy, R. D. (Mississauga South PC)
 Kolyn, A. (Lakeshore PC)
 MacDonald, D. C. (York South NDP)
 Mackenzie, R. W. (Hamilton East NDP)
 Martel, E. W. (Sudbury East NDP)
 McCague, Hon. G. R.; Chairman, Management Board of Cabinet (Dufferin-Simcoe PC)
 McClellan, R. A. (Bellwoods NDP)
 McMurtry, Hon. R. R.; Attorney General and Solicitor General (Eglinton PC)
 Newman, B. (Windsor-Walkerville L)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 Norton, Hon. K. C.; Minister of the Environment (Kingston and the Islands PC)
 Philip, E. T. (Etobicoke NDP)
 Ramsay, Hon. R. H.; Provincial Secretary for Resources Development (Sault Ste. Marie PC)
 Reid, T. P. (Rainy River L-Lab.)
 Riddell, J. K. (Huron-Middlesex L)
 Runciman, R. W. (Leeds PC)
 Ruprecht, T. (Parkdale L)
 Ruston, R. F. (Essex North L)
 Smith, S. L. (Hamilton West L)
 Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
 Stephenson, Hon. B. M.; Minister of Education and Minister of Colleges and Universities (York Mills PC)
 Swart, M. L. (Welland-Thorold NDP)
 Sweeney, J. (Kitchener-Wilmot L)
 Timbrell, Hon. D. R.; Minister of Health (Don Mills PC)
 Turner, Hon. J. M.; Speaker (Peterborough PC)
 Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)



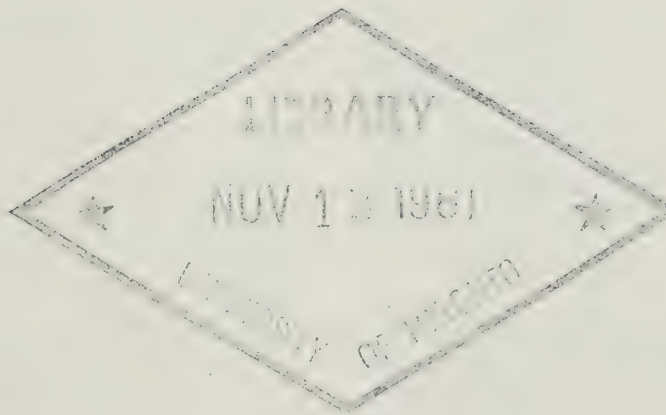
Ontario

LEGISLATIVE ASSEMBLY

No. 80

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Tuesday, October 27, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Tuesday, October 27, 1981

The House met at 2:03 p.m.

Prayers.

ACCESS TO LEGISLATIVE BUILDING

Mr. Philip: On a point of privilege, Mr. Speaker: I am concerned about the fact that certain residents of Metropolitan Toronto who happen to be members of the Federation of Metro Tenants' Associations were denied access to this building by certain security guards. When I was called from my caucus meeting to speak to the security guards, I spoke to one in particular who seemed to be in charge. He informed me that he had orders not to admit these people because it was a demonstration.

I asked him where those orders came from and he said he wanted to talk to me privately. I said, "These are my constituents and therefore anything you say is their business." He then refused to tell me where those orders came from. What we had was about 25 people who were trying to see members of this Legislature. Many of them had an appointment in the media studio at four o'clock this afternoon and therefore had business in this House.

I wonder if the Speaker would inquire into the incident because I happen to believe that my constituents and other people who are taxpayers should have legitimate access to this building. They were not conducting a demonstration, they were here to see members of the Legislature. In fact, many members of this House have seen deputations from that organization.

Mr. Speaker: Thank you.

Mr. Robinson: Mr. Speaker, I rise on a point of privilege for the information of the House.

Mr. Nixon: I wonder if you would deal with that request, Mr. Speaker, because after all what the honourable member has put before you is an indication of what I called you about this morning. You indicated that there was no demonstration and that they were all admitted to the building. Perhaps you might give us your views.

Mr. Speaker: The only observation I can make at this time is that the matter which the member for Etobicoke (Mr. Philip) has raised is completely new to me. I am not aware of it,

contrary to what the member for Brant-Oxford-Norfolk (Mr. Nixon) and I were speaking about this morning.

Mr. Nixon: There has to be some clarification, Mr. Speaker. I phoned you about precisely the same thing. You said there was no demonstration and that they were all admitted to the building.

Mr. Speaker: To the best of my knowledge there was no demonstration. Nobody was denied access and, as far as I know, those people who had appointments to meet with members did meet with those members. I am not prepared to discuss it any further until I look into the allegations of the member for Etobicoke.

Mr. Philip: With the greatest of respect, Mr. Speaker, they were only admitted once I confronted that particular security guard and informed him they had business in this House. At that time I understand they were admitted into the building. These are law-abiding people. They were not demonstrating in the Legislature. They were here to see members and to make what I, as the housing critic for this party, consider to be a legitimate point of view known to the members.

Mr. Speaker: Thank you for drawing this matter to my attention. As I say, it is completely new to me and I was not aware of it.

TUG-OF-WAR CONTEST

Mr. Robinson: On a point of privilege, Mr. Speaker: I wanted to draw to your attention and to the attention of the House that, as many of the members know, a little earlier today the great tug-of-war was held in aid of the United Way campaign for 1981. I would draw to your attention that not only members of this House, but members of your staff and officers of this assembly performed admirably in your service, Mr. Speaker, on behalf of that great cause.

I would particularly draw to your attention the hard and enthusiastic efforts of your legislative pages, who enthusiastically held off almost all comers although at one point with a certain amount of assistance from one of the substantial marble columns within the building itself.

Mr. Smith: Is the member referring to the Minister of Agriculture and Food (Mr. Henderson)?

Mr. Robinson: The Minister of Agriculture and Food stood firm.

I would also commend for the record, Mr. Speaker, the administration, your Hansard staff, your public relations staff and, as I mentioned, your pages.

Unfortunately, on the other side of the coin I must also draw to your attention that despite the billing that was put out advertising this memorable event, members of the opposition did not appear to take part in the final advertised event of this spectacle. I understood that team was to be organized by the member for Hamilton Centre (Ms. Copps). I can only assume her caucus copped out.

Mr. O'Neil: Mr. Speaker, may I remind the House and the honourable member that there was a Liberal who turned up; that was I. I figure I could have handled all the members opposite but they would not take me on.

Mr. Robinson: Had I been permitted I would have continued with that remark. If I may continue for one moment, Mr. Speaker, I would finally draw to your attention that this event raised \$43 for the United Way. I would challenge the Liberal Party, in repayment and atonement for its absence, to match that amount.

Mr. Speaker: I am not sure whether that was a point of privilege.

Ms. Copps: Mr. Speaker, on the same point of privilege: I would like to throw a challenge to the member for Scarborough-Ellesmere (Mr. Robinson) to participate in the talent show on Thursday, since we were busy with government today. I would ask him to participate on Thursday with my colleagues in the Two Grits, which is going to be singing the praises or the woes of this province in an effort to assist the United Way.

Mr. Speaker: I thank the member very much. I think everybody appreciates the efforts of those members who took part to raise money for the United Way. It proved something I have always thought over the years, that the pages are the pillars of support in this Legislature.

[Applause.]

STATEMENTS BY THE MINISTRY

NORONTAIR ANNIVERSARY

Hon. Mr. Bernier: Mr. Speaker, copies of my statement have been delivered to the two opposition critics, the member for Rainy River (Mr. T. P. Reid) and the member for Lake Nipigon (Mr. Stokes).

I am pleased to inform the House that this month marks the tenth anniversary of the establishment of the service of norOntair, the local airline of the air services division of the Ontario Northland Transportation Commission, an agency of the Ministry of Northern Affairs.

2:10 p.m.

Mr. Martel: That is the one the minister wanted to sell, is it not?

Hon. Mr. Bernier: Never.

Since the airline's inception in October 1971, when it first provided the vital link of air passenger and transportation facilities for four northern communities, it has grown to become one of the world's largest commuter airlines. Today, as a feeder airline, norOntair services 21 scattered communities, providing them with essential service to larger centres, with links to Air Canada and Nordair.

These northern communities stretch from North Bay in the southeastern corner of northern Ontario to Red Lake in the northwest. In terms of unduplicated route mileage this is a distance of some 2,000 route miles, which gives norOntair one of the longest air-route structures of any commuter carrier on the North American continent and possibly in the world.

The actual operation of norOntair is contracted to private carriers, but it is funded as a subsidized operation of the Ontario Northland Transportation Commission. When the airline commenced service in 1971 it was recognized that operating subsidies would be necessary. I am pleased to inform the House that today the operating subsidy per passenger has declined to the point where nearly 80 per cent of the airline's costs are paid for by the users. As an example, the per-passenger subsidy in 1971 was \$75. The airline's operation was so successful over the past decade that the per-passenger subsidy for the past year was down to \$5.91.

The service operates with nine de Havilland Twin Otter aircraft, and has increased its passenger traffic from 500 a month in 1971 to well over 10,000 passengers a month this year. The ready acceptance and use of the airline stresses and exemplifies the need and benefits of air travel service over great distances and difficult terrain. It emphasizes the special role of the airline in virtual door-to-door service for passengers, freight and mail.

In addition, it highlights the benefits for businessmen and the communities they visit. For example, a recent survey revealed that nearly 70 per cent of the passenger travel was

for business purposes; the remaining 30 per cent was travel for tourism and other personal reasons. For businessmen, norOntair has become an important aspect of industrial and commercial life in northern Ontario. They and their companies have come to depend on norOntair as an integral part of their day-to-day business activities in the economic development of northern Ontario. This reflects the airline's role of helping to reduce the isolation of scattered communities in the north and facilitating air service connections with southern Ontario.

NorOntair currently enjoys a very positive working relationship with Air Canada and Nordair by providing important connections to the regions for these larger carriers. Some 55 per cent of all norOntair passengers are connecting to or from other airlines. It is because of this connecting role in the northern routes that norOntair has developed this essentially close partnership, which is very much to the economic benefit of northern communities.

This government's approach to extending norOntair's service to particular communities has been guided, and will continue to be guided, by the principle that the private sector should be encouraged to offer those services it feels can be commercially viable. The option of subsidizing services directly through norOntair will be considered by the government only if demand warrants it and if the private sector is not prepared to provide the necessary service.

In this respect I am pleased to say that demand has been found sufficient to undertake further serious study of extending norOntair's service to three more communities: Hearst, Marathon and Manitouwadge, communities located east of Thunder Bay. In keeping with government programs the private sector will be encouraged to work in close association with norOntair in considering and evaluating the extension of air service into these communities. As part of this development, in late 1984 norOntair will become the world's first customer for Dash-8 36-passenger pressurized aircraft from de Havilland Aircraft of Canada Limited.

The airline's success is positive proof that it is aiding northern communities facing the changes and challenges of northern Ontario. We live in a world of shrinking distances, and I am personally pleased to extend my congratulations to norOntair for 10 years of excellent service. I know that members of this House will join with me when I say that I look forward to the next 10 years of continued success and progress for this

mighty little airline. In fact, it is truly the air transportation success story of the past decade.

Mr. Speaker, in your gallery we have three gentlemen who are directly responsible for the operation of norOntair at this time. We have one of the directors of the Ontario Northland Transportation Commission, Mr. Peter Burns, who hails from Dryden; the air services branch director, Don Wallace, and the financial director, Mr. John Wallace. I know you will want to give them a hearty vote of congratulations.

Mr. Nixon: On a point of clarification; I don't think the public address system was working very well: Did the minister indicate that the passes that we at present have on the rail portion of the Ontario Northland Railway are going to be extended to include norOntair so that those of us in the southern part of the province can be encouraged to visit areas of the north other than Moosonee?

Hon. Mr. Bernier: No, Mr. Speaker, I did not say that, but I want to remind the honourable member that under the rules of this House he has the opportunity to go anywhere in the province four times a year, and if he uses those opportunities and he has need to go to northern Ontario, I would be glad to arrange transportation on norOntair.

ADVISORY COUNCIL ON SENIOR CITIZENS

Hon. Mrs. Birch: Mr. Speaker, today I would like to table the seventh annual report of the Ontario Advisory Council on Senior Citizens. This report, like the six before it, represents the excellent work carried out by dedicated members of this council.

It is particularly appropriate that the cover has pictures by young pupils depicting activities of children with their grandparents, because the council's fostering of intergenerational programs has led to enrichment in the lives of both young and elderly persons here in Ontario.

Mr. Speaker, the present chairman of the council, Doug Rapelje, and one of the two vice-chairmen, Florence Johnson, are in your gallery today, along with Hope Holmsted, the council's first chairman, who did so much in setting the excellent base from which the council now works. Would you join with me in showing your appreciation to these fine people?

ORAL QUESTIONS

ECONOMIC POLICY

Mr. Smith: Mr. Speaker, I have a question for

the Treasurer. I have in my hand copies of two interesting articles, one from the *Globe and Mail*, October 2, 1981, which says, "Miller urges Ottawa to Adopt Reagan Economic Plan," and one from the *Globe and Mail*, Monday, October 26, saying, "William Davis warned . . . his party against . . . moving towards the ultraconservatism of US President Ronald Reagan."

Does the Treasurer not find it just a bit tiresome having to continue to pretend that he is running the economy of Ontario? Does he not find the continuing saga of the differences between himself and the government just a little bit embarrassing, and has he already asked the Premier (Mr. Davis) for another portfolio?

Hon. Mr. Davis: The answer is no, and he wouldn't get it.

Hon. F. S. Miller: You mean I am totally out of a job?

Mr. Smith: You have been for two weeks, my friend.

Hon. F. S. Miller: I suppose—no, I won't say that, Mr. Speaker. I will be kind today.

I am surprised, after the years in the position the member has held, that he would assume that something he read in the *Globe and Mail* automatically was a fair report. I have heard the Leader of the Opposition say that part of his reason for voluntary resignation was because the press never really understood his policies and never reported them accurately. I have not had that problem; I have always felt very fairly treated by the press.

One of the things I said at that point was this: Whether one believes in Reaganomics or not, one had better wish they work because we in Canada, whether we like it or not, are very heavily tied to the economic wellbeing of the United States.

2:20 p.m.

Mr. Smith: I have a supplementary that indicates further how we have tied ourselves to the economic wellbeing of the United States. Has the Treasurer had time to reflect now on the fact that the deal arranged by Ontario to buy Suncor not only is going to send out \$325 million to begin with, but in addition the next \$325 million is to be paid for out of withheld dividends? The Treasurer is familiar with that?

Is he aware that Suncor in its entire history of more than 50 years in Canada has never declared dividends? In order to accommodate Ontario's wish to be able to pay for its half share out of dividends, not only will the company have

to declare dividends which will give Ontario \$97 million a year, but it means that almost \$300 million a year will be flowing out of the company and out of the country to the owners in Pennsylvania. These people heretofore always reinvested their money in Canada and have never declared dividends on common shares in the past.

Hon. F. S. Miller: Mr. Speaker, I think the Leader of the Opposition has jumped to a few conclusions about the methods of the financing. I think until those are totally complete, he would be wise not to jump to that conclusion.

Mr. Cassidy: Supplementary, Mr. Speaker: Since the Treasurer has been advocating Reaganomics to the federal government, could he explain how it would benefit the people of this province? When working people have had a cut in real incomes in the last four or five years in Ontario, why is the Treasurer recommending cuts in government services—which means cuts in services to people on ordinary incomes—while he wants tax cuts for people in upper income brackets? He also wants to cut the rate of capital gains tax, which also benefits people who are in the upper income bracket. Why does the Treasurer want to cut services to people who are poor and cut taxes to people who are rich?

Hon. F. S. Miller: Mr. Speaker, I think the honourable member is jumping to conclusions that I asked for cuts in services to the poor. It is just the opposite. I made an impassioned appeal to the federal government not to cut back on the one successful program it has negotiated with the provinces over the last few years. This was a program it promised would be a long-term one, relating to established program financing. I asked that it not be cut for the simple reason it had not led the growth pattern of federal government spending; in fact, it trailed the growth pattern. We in turn were not asking for cuts; we were simply asking for the same kind of efficient management at the federal level that we have seen at the provincial level for the last seven years.

Mr. Smith: Would the Treasurer admit his dividend-paying policy, in order to repay half the share, will cause an outflow of hundreds of millions dollars a year to the United States? In addition to that, would he admit that taking the purchase price of Suncor and calculating the 10-year amortization of the price, and using a rate of 17 per cent interest on the money borrowed, the total amount that will be paid for

the Suncor shares—the 25 per cent—will be \$2,412,782,000, compounding the interest annually over the course of 10 years? Since he has to pay interest on the money he borrows, and he has to pay interest on the interest year after year, it does come to compound interest. Would the Treasurer agree that the total price over 10 years therefore will be more than \$2 billion?

Hon. F. S. Miller: The old adage that figures can lie, et cetera, comes to mind.

Mr. Peterson: That is really profound for the Treasurer of this province.

Mr. Speaker: Order. Order.

Hon. F. S. Miller: I haven't heard a profound thing out of the honourable member since he became my critic three years ago.

Mr. Speaker: Just ignore the interjections.

Hon. F. S. Miller: If the member ever got above the personal level, he might make it to leader. He just might, but he has never been able to make—

Interjections.

Mr. Speaker: Order. Would the Treasurer address himself to the question please?

Mr. Peterson: Who just made the personal comment?

Hon. F. S. Miller: You did.

Mr. Speaker, that same kind of arithmetic could be applied to almost any investment any of us makes in a house, stocks, bonds or whatever. The fact remains that if one buys any good-grade Canadian security today, looks at the dividend and compares it to the interest rate, in most cases the interest rate exceeds the dividend. I think one would accept that. One has to allow for the fact that because of tax rules, in the hands of most of us a dividend is worth more money than the equivalent number of dollars as interest.

The fact remains that the replacement value of most major Canadian corporations far exceeds the share value. That is why we have seen many takeovers in Canada of major corporations. That is one of the reasons our investment in Suncor will stand the scrutiny of economic analysis.

RIDGE LANDFILL SITE: LIQUID WASTE DISPOSAL

Mr. Smith: I would like to ask a question of the Minister of the Environment, Mr. Speaker, regarding the Ridge landfill site near Harwich township. The minister is obviously aware of last Wednesday's decision in the divisional

court of the Supreme Court of Ontario, which upheld a previous decision saying its certificate of approval is null and void. In other words, it never should have received five million gallons of liquid waste over the years 1979 to 1981.

Could the minister explain what he is going to do to enforce the decision of the court? I understand the site has now been closed. What will the minister do to make sure it stays that way, and what actions will he take with regard to the disposal of liquid and hazardous wastes that were originally destined for the Ridge site?

Hon. Mr. Norton: Mr. Speaker, the Leader of the Opposition is correct. The site is closed to the receipt of liquid industrial wastes at the present time, as a consequence of that court decision.

The staff of my ministry has now completed a review of the nature of the categories of liquid wastes that were being received there, for purposes of determining whether they would fall within the licences or permits of other receivers in that area—for example, I presume Tricil would be one logical alternative—and also to determine the volumes. At this point I am advised by my regional staff that there is no crisis, that the volumes that were being received and the types of waste that were being received can be taken by other sites.

We have made the proviso, though, that if a particular crisis should arise with respect to a specific load we would be notified and in that situation we would deal with it on a specific basis. In terms of any general problem, there does not appear to be one at the present time. We will continue, obviously, to monitor the situation and try to ensure that no liquid waste goes into that site. I am sure that if any is headed in that direction we will hear about it very quickly.

Mr. Smith: Supplementary, Mr. Speaker: Since that site found its licence declared void because it never had hearings when bringing in important changes to its original application, and since those are precisely the same conditions that exist at the Tricil site and at the city of Guelph site—two other sites in Ontario that are equally illegal, having brought important changes into their certificates of approval without having had hearings—is the minister prepared to say what he is going to do to dispose of the liquid waste if it cannot go to Tricil either?

Is he aware that the city of Guelph site and the Tricil site at Corunna both have exactly the same legal problem the Ridge landfill site has had? If he is not aware of it, why in Heaven's name has his staff not told him about it?

Hon. Mr. Norton: Mr. Speaker, I am aware that issue might well arise. To the best of my knowledge and on the basis of advice from my staff, we do not perceive it to be an immediate problem, but I can assure the honourable member we are watching that situation very carefully and we will take whatever steps are necessary to correct it.

Mr. Speaker: Final supplementary.

Mr. Smith: Since it is perfectly obvious that the minister has been taken by surprise and had no idea that both the Tricil site and the city of Guelph site were in the same spot, legally speaking, as the Ridge landfill site, will he take it upon himself to insist that his staff be cleaned out from top to bottom, to get people in there who know what they are doing, to look at the certificates of approval, and who recognize that there is a reason for having hearings in Ontario to determine if the land is suitable for liquid industrial waste?

Neither of those sites was licensed with proper hearings for liquid industrial waste. The minister is not protecting us. What action is he prepared to take in his ministry to make sure he gets up-to-date information in the future?

2:30 p.m.

Hon. Mr. Norton: Mr. Speaker, as is so often the case, those things that appear to be perfectly obvious to the Leader of the Opposition are not necessarily as obvious or simplistic as he views them. I am not, I can assure him, taken by surprise by any of this. I have had extensive discussions with both the legal staff in my ministry and the technical staff. I am well aware of the situation.

Mr. Cassidy: A supplementary, Mr. Speaker.

Mr. Speaker: New question. That was the final supplementary.

RENT CONTROL

Mr. Cassidy: Mr. Speaker, I have a new question for the Minister of Consumer and Commercial Relations with respect to the future of rent review.

Is the minister aware of the statements by Professor Barry Cullingworth of the University of Toronto, an expert on rent review, suggesting that from his contacts with the ministry and with the industry he expects the provincial government to raise the ceiling on annual rent increases shortly to at least eight per cent and then subsequently to raise the ceiling by one percentage point every six months until a new unspecified ceiling is reached?

Could the minister assure the House that is not the intention of the government and that it is the intention of the government to maintain the present six per cent ceiling on rent review in Ontario?

Hon. Mr. Walker: Mr. Speaker, I cannot give an assurance as it relates to the last matter; in fact I have continued to say that at some time that six per cent percentage has to be looked at.

I would say that with respect to Professor Cullingworth I have no idea where he got his information, but if he got the information from the Ministry of Consumer and Commercial Relations it bore no relationship whatsoever to anything that has been discussed in the ministry, as far as I am concerned or as far as anyone who would normally be concerned is concerned.

I have never seen a more unfactual, inaccurate and wrong report come out of any kind of government department. That is just not the case. I suspect he might have been having dreams one night and came up with those figures, since I do not know where he would have come up with them otherwise. He certainly did not arrive at them with respect to us.

I am interested in the fact that the leader of the third party makes his comment about the guideline adjustment. I remember the New Democratic Party caucus position on May 24, 1978, which was that "the guideline must, however, be adjusted annually to reflect actual increased or reduced costs for standard items in typical rental units." I suppose we are having this kind of suggestion from the leader of the third party now, are we?

Mr. Cassidy: Since I made it clear during the course of the 1981 election campaign that the NDP's position was that we believed the six per cent ceiling on rent increases should be maintained in Ontario, I suggest the minister does not have to go back to 1978 to find out what the NDP's position happens to be.

Mr. Foulds: We would like to reduce it.

Mr. Cassidy: That is right.

Would the minister be prepared to say whether the government is now prepared to acknowledge that there is a problem for tenants who are living in buildings that have been built since 1976, which are not covered by rent review and where rent increases in fact often exceed the six per cent by substantial margins? Will the government now undertake to bring newer buildings that have been built since 1976 under rent review, to give those tenants the same protection as people in older buildings happen to have?

Hon. Mr. Walker: That is an interesting suggestion that the honourable member has raised. We will certainly consider anything that he proposes in this House at a time when we are considering the matter.

If it is not necessary to go back to 1978 to quote the NDP position which suggested then that "the guideline must, however, be adjusted annually to reflect actual increased or reduced costs," I can go to 1981 and quote the NDP housing critic. It says here in a Toronto Star article, "'The six per cent ceiling on rent increases may be a little low,' said Philip, MPP for the Etobicoke riding and the NDP housing critic." He is the housing critic and I would have to assume that the position he is advancing is a reasonable one.

Mr. Smith: Supplementary, Mr. Speaker: When the Minister of Consumer and Commercial Relations himself faced a 72 per cent increase in rent in July of this year he, at his rental level and at his income, had the option of finding another place to live; but since most of the tenants represented today and most of the tenants in Toronto do not have the option of moving elsewhere, because there are no vacancies at affordable rents in Toronto, will the minister tell us what he is prepared to do to protect the supply of affordable rental accommodation that does exist by bringing in a policy to prevent the destruction of such accommodation or its replacement by luxury condominiums?

Now that the courts have struck down the bylaws which held off that phenomenon, as the Minister of Municipal Affairs and Housing (Mr. Bennett) noted, what will Queen's Park do to make sure that we do not lose the supply we now have?

Hon. Mr. Walker: Mr. Speaker, the honourable Minister of Municipal Affairs and Housing has from time to time indicated that while there is a tightness of supply within the Toronto area, particularly in downtown Toronto, in Metropolitan Toronto something like 33 per cent of all tenancies change hands in any one year, so there must be a certain amount of mobility.

Mr. Cassidy: I would just like to point out to the minister, since he reads this into the record of the Legislature about once every two months, that my colleague from Etobicoke (Mr. Philip) indicated very clearly that the NDP is committed not only to continuing rent controls but also to expanding them, and he also insists that apartments built after 1975 should not be exempt from the controls.

That is a statement by our party's critic for housing, which is much more definitive than anything the minister has had to say.

Mr. Speaker: Do you have a question?

Mr. Cassidy: My supplementary to the minister is quite simple: Does he agree with the outrageous statement of the parliamentary assistant to the Minister of Municipal Affairs and Housing, the member for Wilson Heights (Mr. Rotenberg), on television last night, that people on modest incomes may have to move out to the outskirts because they will not be able to afford to live in downtown accommodation?

Does the minister agree that the housing policy for his government should be to keep downtown communities for the rich and suburban communities for the poor? Or should we not be able to keep housing at an affordable level for people in all areas of this community?

Hon. Mr. Walker: I do not think there is any answer to the question that the member raised by way of merely making a statement. We do not support the position he is advancing on it, and all we say here is that rent controls are intended to stay.

GAINS PAYMENTS

Mr. Cassidy: Mr. Speaker, I have a question for the Minister of Community and Social Services (Mr. Drea). In view of the first report of the select committee on pensions, in which Mr. J. A. Taylor, Mr. Williams, Mr. Brandt, Mr. Cousens, Mr. Jones and Mr. Gillies of the Conservative Party in addition to the New Democratic and Liberal representatives recommended that the government of Ontario should increase without delay the payment for the guaranteed annual income system to bring single persons up to the adequacy level of available income recommended for the year in which the increase is made—in other words, a report in which the Conservative as well as the Liberal and New Democratic members recommended an immediate increase to \$550 a month in Gains for single people from the present level of \$493—will the minister say when the government intends to implement that recommendation and bring single senior citizens out of the level of poverty in which they live now?

Mr. Jones: On a point of personal privilege, Mr. Speaker: The leader of the third party mentioned me among other of my colleagues who are members of the select committee. I for one have not signed that report; rather, the

clerk is aware that I and other members of the committee are writing a dissenting report at this time.

Mr. Williams: A further point, Mr. Speaker: The report has not yet been officially tabled in this Legislature, having been withdrawn by the unanimous consent of this House. Therefore, I suggest that this question is out of order.

Interjections.

Hon. Mr. Drea: In any case, Mr. Speaker, I would think the honourable leader of the third party would know it is not a question for me; it is a question for the Minister of Revenue (Mr. Ashe).

Mr. Cassidy: I would so redirect.

Hon. Mr. Ashe: Mr. Speaker, I would suggest to you that the question is out of order, because the report has not been officially tabled in this Legislature.

2:40 p.m.

Mr. Cassidy: Supplementary, Mr. Speaker: I would go back to the Minister of Community and Social Services and say that in view of the recommendations of the Haley commission on pensions, which recommended that elderly single people should get at least 60 per cent of the income a married couple gets, and in view of the recommendations that were tabled today from the advisory council—

Mr. Speaker: Order. With respect, that is not a supplementary.

Mr. Cassidy: With respect, Mr. Speaker, of course it is. The question is exactly the same. It was suggested that this report of the select committee on pensions had been retired, so I am citing other authorities which indicate that this step should be taken now by the government, and I am asking the minister whether the government intends to act.

I direct that question to the minister, and point out to him that the Ontario Advisory Council on Senior Citizens, whose report was tabled in the House today, says quite specifically that the income required by a single person living alone should be closer to two thirds of that provided to a married couple.

When does the government intend to act on the recommendations from the Haley commission and the Ontario Advisory Council on Senior Citizens with respect to the income of single senior citizens?

Hon. Mr. Drea: Mr. Speaker, once again the decisions on Gains-A are specifically the administrative responsibility of the Minister of Reve-

nue and, I presume, the policy decision of the Treasurer (Mr. F. S. Miller). The Haley commission on pensions was authorized by the Treasurer. It is my understanding that he is in charge of whatever decisions will be made about pensions. I am not involved in the thing at all.

Mr. Peterson: Supplementary, Mr. Speaker: Given the fact that the minister, when he was Minister of Consumer and Commercial Relations, did bring in amendments under the Pension Benefits Act with respect to disclosure and was a reasonably progressive minister at that point, why would he not use his influence now to remove Ontario's veto for the child-rearing dropout provision? Why does the minister not put pressure on the Treasurer, the Premier (Mr. Davis) and others at least to show some good faith in an issue that he used to care about, and I hope still does care about under his new portfolio?

Hon. Mr. Drea: Mr. Speaker, the honourable member is asking me to exercise my private moral persuasive powers. I do constantly exercise these powers, but I think it is a bit unfair for a member—and I know he did not intentionally do this—to ask a minister to respond publicly on a matter that is beyond his jurisdiction. What my personal feelings are and how I convey those to my colleagues, particularly the Premier, the Treasurer and others in cabinet, under our system unfortunately have to remain private.

Mr. McClellan: Supplementary, Mr. Speaker: I wonder if the minister can either explain or speculate about why it is that the parliamentary assistant was able to vote in favour of the recommendation to increase the guaranteed annual income system level for senior singles in the committee, and now he is repudiating it in the House? Is the minister aware of any particular pressure or thumping on the head applied by the Treasurer to the honourable parliamentary assistant?

Mr. Jones: Mr. Speaker, on a point of personal privilege again: As a matter of record, I did not vote for that motion, and I would ask the honourable member to withdraw the implication in his statement.

Mr. McClellan: I have no intention of withdrawing.

Mr. Jones: It is absolutely incorrect. I did not vote for that.

Mr. Gillies: On a point of order, Mr. Speaker: As the member for Bellwoods will be aware, I

made the motion regarding that particular clause in the report. I signed it; I supported it then and I support it now.

Hon. Mr. Drea: Mr. Speaker, I am not infallible. I do not know why people do things. It is beyond my competency. Nobody has ever discussed this report with me.

ONTARIO ENERGY INVESTMENT

Mr. Peterson: Mr. Speaker, I have a question for the Treasurer with respect to the Suncor deal. The Treasurer stated the Suncor deal would bear up to economic scrutiny if at some point in the future these facts become a matter for public discussion. My leader has established already that the interest compounded on a 17 per cent basis over the next 10 years will be \$2.4 billion. Added to the capital cost of \$650 million, the total cost is well over \$3 billion. I would like the Treasurer to tell me what the undervalued assets are in the 25 per cent purchase of Suncor or the dividend policy. What kind of cash flow will be returned to the province to make this a good deal for the taxpayers of Ontario?

Hon. F. S. Miller: Mr. Speaker, I pointed out in my response to the Leader of the Opposition (Mr. Smith) that if one applied the kind of arithmetic he enunciated to any investment, be it Bell Canada shares or whatever, one could come up with that kind of astronomical cost over a number of years. I did point out that the assets purchased have a higher value in our opinion.

For example, the synthetic oil plant; I think there is a capacity of 60,000 barrels a day in that plant. It strikes me that plants with a capacity of 100,000 barrels a day are running somewhere around \$10 billion to \$12 billion to replace right now.

Mr. Breithaupt: Do you have studies to show this? Table them in the House.

Hon. F. S. Miller: I am recalling figures put forward by companies like Esso and Shell in terms of their proposed synthetic plants in Alberta where they were talking of figures that were anywhere from \$8 billion to \$15 billion for the value.

Mr. Peterson: What is your dividend going to be with higher oil prices then?

Hon. F. S. Miller: Dividends are not the measure of an investment's value. The member knows full well that a dividend is a discretionary decision of a board of directors to share profits. The real question is, what is the likely growth in

the asset value, what are the real earnings of the asset value and what kind of future returns can one expect? I would say that whenever one makes an investment in this country, one exhibits a certain degree of confidence not only in the corporation but in the economy of the country. This province has confidence in both.

Mr. Peterson: The Treasurer is also showing his confidence that oil prices are going to go up dramatically to make this an economic investment, which puts him in a very serious conflict of interest position.

Since the Treasurer said earlier that figures lie, I would invite him to lie to us and share with us the figures that make this—

Mr. Speaker: Order.

Mr. Peterson: Mr. Speaker, what is the matter? He said that figures lie.

Mr. Speaker: He turned it around a little. I am not sure you meant it the way it came out or as I understood it. I would ask you to redraft or rephrase it.

Mr. Peterson: Mr. Speaker, if you check with Hansard, I am sure you will agree with everything I said. The Treasurer said that figures lie and I invited him—

Mr. Speaker: Order. He said figures do not lie.

Some hon. members: He said they do.

Mr. Speaker: Order. Would you proceed with the question and rephrase it so it is acceptable?

Mr. Peterson: Mr. Speaker, with great respect, I think your recollection of some 30 seconds ago is faulty. However, let me ask the Treasurer this: Since the figures either tell the truth or lie, depending on how he views it, why will he not give us the figures so we can scrutinize this from a legislative point of view and make sure we are getting the proper value for the taxpayers of Ontario? Why is the Treasurer not giving us those reports right now?

Hon. Mr. Davis: Go and ask any analyst. You know them well.

Hon. F. S. Miller: That is exactly the answer I would wish to give. Mr. Speaker, with great respect, I did use the term—I was reminded of the old adage—figures lie. I was not accusing anybody at the time. I simply said that much and the record will show it.

I would say the great assets of the Liberal Party must surely allow them to go out and talk

to some analysts who would tell them, in their opinion and based upon their assessment, whether we are or are not—

Mr. Breithaupt: We want your opinion.

Hon. Mr. Davis: We've already given it.

Hon. F. S. Miller: We gave our opinion with our cheque book. We showed our confidence in the company in that way.

2:50 p.m.

Mr. Foulds: Mr. Speaker, I want to ask the Treasurer a supplementary question: In view of the confidence that he is now expressing in the deal that he initially opposed—

Mr. Nixon: Mr. Speaker, on a point of order having to do with these figures: The Premier has just said he has all the figures there. Remember, Mr. Speaker, you were supposed to speak to him about tabling them, as is required under the rules? He has just indicated across the floor of the House that he has the information right there. Why do we not get it now? Under the rules, it is supposed to be provided.

Hon. Mr. Davis: Mr. Speaker, on this point of order—

Mr. Breithaupt: You don't know why you bought it, and they want to spend twice as much.

Hon. Mr. Davis: I will not debate with the member for Kitchener, but if the member for Brant-Oxford-Norfolk was listening carefully what was suggested across the House was that he get some analyst, and I heard him say something about the fact that he had not seen any analysis. I happen to have statements here from the Financial Times, from somebody on the Canadian Broadcasting Corporation and from one or two others who say it was a very excellent deal. I will be delighted to share those with the member.

Mr. MacDonald: On a point of order, Mr. Speaker: I have been authoritatively informed that there are bushel baskets of information in either the office of the Treasurer or the office of the Minister of Energy (Mr. Welch). Why does the government not make those bushel baskets of information available?

Mr. Foulds: Supplementary, Mr. Speaker: Now that the Treasurer is expressing such confidence in this deal, which he originally opposed, can he tell us what has given him that confidence in the last few days? If he had such confidence, can he tell us why it was he did not suggest that the government go for a full 51 per cent of Suncor?

Can he tell us whether he was dragged,

kicking and screaming, into agreeing with the deal because he was finally persuaded that the Ontario government was buying into an oil and gas marketing corporation rather than an exploration one and, because it was primarily involved in marketing, his Treasury would benefit from the ad valorem tax he established last spring?

Hon. F. S. Miller: Mr. Speaker, I was supporting the member until now.

Mr. Foulds: You're disowning me? That means another 20 delegates. Thank you very much.

Hon. F. S. Miller: That he should use that kind of arithmetic to justify a purchase frightens me. I really wonder.

There was a lot of hearsay in that question. There were a number of conclusions reached based upon facts that allegedly came from other sources. I can only say that I have learned, as Treasurer of this province, that when the sum total of the knowledge that reposes in the people on the benches of this side of the House chooses a certain course of action, it is infallible.

Mr. Sargent: Supplementary, Mr. Speaker: In view of the fact that the minister has bought the biggest dog in the oil business in the purchase of Suncor, will he please tell me something? McLeod Young Weir was entitled to a \$6-million commission on this \$650-million deal. What were the offsetting points? What payoffs would they get if they did not take the commission? I understand they did not take the commission. What were the payoffs along the line?

Second, how can a man employed by the government, using the keys to the Treasury of the province, set up the deal and then resign to make it look as if there was no conflict? That is totally illegal.

How can the Treasurer explain those two important factors in this stinking deal?

Hon. F. S. Miller: Mr. Speaker, I think that kind of question does not deserve an answer in this House.

Mr. Sargent: Mr. Speaker, on a point of privilege: This is a \$650-million deal. The people of Ontario are fed up with the government going on like that. I suggest he should answer the question.

Mr. Speaker: Order.

Mr. Sargent: Mr. Speaker, I am going to stand here until he answers the question. It is an important issue.

Mr. Speaker: I have to caution the member. Order, please. Will the member for Grey-Bruce please resume his seat?

Mr. Sargent: Mr. Speaker, I suggest—

Mr. Speaker: Then you leave me no alternative but to name you and ask you to leave this chamber for the balance of this sitting.

Mr. Sargent: What is the answer?

Mr. Speaker: Order. Will you please leave this chamber?

Mr. Sargent was escorted from the chamber by the Sergeant at Arms.

AUTOMOBILE INDUSTRY

Mr. Cooke: Mr. Speaker, I have a question for the Minister of Industry and Tourism regarding the latest layoffs at Budd Canada in Kitchener. I am sure the minister is aware of these layoffs. I would like to know his opinion when he considers the fact that General Motors has transferred its contract from Budd Canada to A. O. Smith in the United States? Considering the fact that our trade deficit continues to increase in auto parts, has the minister decided to talk to General Motors to convince them this contract should remain in Ontario?

Further, has he taken into consideration the fact that just about everything that the Treasury's study on the automobile industry has predicted is coming true, including the fact they predicted General Motors would be switching more and more of their auto parts sourcing from Ontario to the United States?

Hon. Mr. Grossman: Mr. Speaker, as the member knows very well, the problems with Budd have been foreseen for a long time. It is basically a very simple function of the changing demands of the automobile industry. There are really no surprises there.

The member also knows fairly well, because he wrote me one of his weekly—and weak—open letters some time ago, that the name of the game is competition. It is a difficult market. One of the reasons A. O. Smith was able to get some of this work from Budd is they became more competitive because they were able to make a more advantageous, from the standpoint of the company, arrangement with their union. In other words, the workers in the American plant decided to be more modest in their wage settlement than was the case in Canada. Whether the workers in Canada had a better case or not, whether there were different circumstances or not, the fact remains that as a result of the wage settlement south of the border the American

plant, A. O. Smith, became a more competitive operation, able to produce at a lower rate the same parts that Budd was producing.

Given the state of the automobile industry, the member is not surprised at what happened. No one is really surprised that the work went to the plant that could make that part and supply it more cheaply.

Mr. Cooke: I guess what the minister is saying today is that the auto pact means nothing and that we can play worker against worker in order to try to get contracts and lose jobs. Would the minister not now agree—instead of as he did in his response to my open letter where he criticized the UAW for not taking wage concessions—with the editorial that appeared in the Kitchener-Waterloo Record which states the following: "Asking workers for concessions as Budd Canada Incorporated in Kitchener wanted from the United Automobile Workers Union shows competition in its most unflattering light, embracing all the charm of extortion in an attempt to entice workers to accept something less than their fair share for their labour"?

3 p.m.

Does the minister not agree with that statement? Why does he not talk to General Motors and tell them they have an obligation under the auto pact to keep jobs here in Ontario and to lower the auto pact deficit?

Hon. Mr. Grossman: To return to the facts, I think the member knows General Motors is not the main source, even a major source, of the deficit under the auto pact. Most of it comes from Ford's in-house parts plant sourcing, not from General Motors sourcing. General Motors will either meet its auto pact requirements or it will not. That is a job for enforcement by the federal government. Certainly this government has not only said the Big Three and everyone else in the auto pact should meet their requirements, but this government particularly has called for public disclosure of the details of compliance with the auto pact.

If this government had its way we would know whether GM for sure was meeting those requirements. In those circumstances, if they were not—and the member has no evidence they are not—some approaches to GM would be appropriate.

Mr. Cooke: You have no evidence they are.

Hon. Mr. Grossman: Let us be sensible. The federal government has an agreement with General Motors and everyone else. The federal government, we must presume, is enforcing that

agreement; and GM, we must presume, are meeting their requirements or the federal government would take appropriate action against them. We would see an order in council relieving them of those commitments. We should clearly understand that part of the enforcement of the auto pact.

When the member talks about trying to keep Budd in business and keeping employment here, there is no question Budd is doing what everyone else is doing in industry—that is, trying to lower their production costs. That comprises a lot of things. It involves the loss of a lot of income for a lot of auto parts people who have invested their own money but find themselves not competitive in terms of supplying components to Budd and other people.

It implies that many dealers and suppliers and agents have lost money because they are not able to be competitive. Everyone is trying to be competitive, and it is causing massive changes in the pattern of doing business traditionally in this country and in the United States. In the case of Budd and in the case of A. O. Smith, each of them did what they could with their unions to make sure their costs of labour were as competitive as they could be. Chrysler certainly did that. I believe the member supported that because the UAW in that circumstance determined that a wage concession was necessary to keep Chrysler in business. The union—

Mr. Roy: That will do, Larry.

Hon. Mr. Grossman: The member is here only two days a week. He might as well learn what he can while he is here.

Mr. Roy: On a point of order, Mr. Speaker: We are quite prepared to abide by the rules. We understand your enforcing the rules is necessary to keep order in this place, but we want to see the rules enforced equally. That member consistently gives statements instead of answering questions. When you are prompt to cut off a question as being too lengthy, I suggest you apply the same principle to the government members and then possibly we will get more order in this place.

Mr. Speaker: Order. The minister will address the question.

Hon. Mr. Grossman: Mr. Speaker, I can only say to the honourable visitor from Ottawa that on Monday and Friday I am succinct and brief. On Tuesday and Thursday I like to educate him while he is here.

May I say to the honourable member, who unlike the visitor from Ottawa does understand

something about the automotive industry, these kinds of co-operative endeavours are going to be needed throughout the auto industry in the next period if they are to survive. Whether the company played fair or not there are mechanisms in place to determine that. But the reality of the situation is that the difference between the two operations was the cost of labour, or so we are informed.

Mr. Ruprecht: Supplementary, Mr. Speaker: The minister tells us the name of the game is competition, but as far as we understand—

Mr. Speaker: Question?

Mr. Ruprecht: This is the question. As far as we understand it, his portfolio permits him to be competitive. What has the minister done specifically in this case to make our industries and plant manufacturing companies more efficient so their jobs are not moving to the south? What has he done specifically in this case to prevent that and to make our industries more competitive?

Hon. Mr. Grossman: Mr. Speaker, I do not know where the member was—I think it was last Thursday or Friday—when I rhymed off 10 or 15 things. In the interests of time—because I am always worried about time in this House—I stopped at about 15 initiatives this government had taken to deal with those kinds of problems.

In the case of Budd, to give the member an extra supplementary question, we have spent a particularly long time dealing with the Budd people. We have been meeting with them beginning about two years ago right up until recently to see if there is anything this government can do to replace employment in that plant. We have done a great deal with Budd. The realities are as I indicated them earlier.

Hon. Mr. Norton: Mr. Speaker, I wonder if I might take this opportunity to draw to the attention of the honourable members the presence in your gallery of some special guests from the state of California.

Mr. Lawrence Kapiloff, an assemblyman from the San Diego area and chairman of the state's select committee on acid rain, is heading a delegation of political and senior technical people who are here—

Interjections

Mr. Speaker: Order. Order.

Hon. Mr. Norton: —this week to learn more about Ontario's acid rain problem and to share with us their experience. Also present is Marion

Bergeson, ranking minority member of the committee and Charles Warren, special environmental consultant to the committee.

The staff of my ministry were in San Francisco earlier this summer at a special screening of our film, *Crisis in the Rain*. Because of the interest expressed during that visit by the California people we invited them to Ontario to take part in our ongoing program of acid rain tours for Americans. I would like to ask the honourable members to join me in welcoming these guests to our gallery, in spite of the rather bad manners demonstrated by our members opposite.

Mr. Speaker: Thank you. I will add two minutes to the length of question period to compensate for your statement.

UNIVERSITY FUNDING

Mr. Wrye: Mr. Speaker, my question is to the Minister of Colleges and Universities (Miss Stephenson). The minister stated in both the House and to reporters yesterday that the \$321 million her government has withheld from universities over the last four years would not have made any difference to the program of the universities. In addition she could not say whether the extra financing would translate directly into improvements in programs. Given this, how does she explain her warning issued just last week that reductions in federal transfers would, and I quote: "Have major implications for the structure of the system. Such reductions would clearly exacerbate already pressing problems."?

Why is a federal dollar so much more important to the quality of our university system than a provincial dollar?

Hon. Miss Stephenson: Mr. Speaker, if the honourable member would carefully reread what he has purported to read, he would recognize that I asked a question. I did not make a statement. I did ask that question and would ask it again—whether over the past several years during which time the universities have been subjected—

Mr. Smith: That's marvellous. You know for sure if it's federal, but you have to question it if it's provincial.

Hon. Miss Stephenson: I do wish the member for Hamilton West (Mr. Smith) would stop rising and writhing daily. I am very much concerned about his cerebrovascular system.

Mr. Smith: On a point of order, Mr. Speaker: If the minister means it is quite easy to have a

stroke listening to her trying to backpedal on what she said yesterday she is quite right. But if she is going to make reference, she ought to address herself to the matter that was asked. Regarding the \$321 million from the province, if she has to ask a question about that, how come she knew for sure the federal dollars would do harm but she is not so sure about the provincial dollars?

Mr. Speaker: Order. Order.

Hon. Miss Stephenson: Mr. Speaker, I do have some concern about a leader who obviously believes his local members cannot ask questions that others can understand. There are circumstances in which that does happen, but the member for Windsor-Sandwich (Mr. Wrye) asked a question that I understood. I bow to the superior intellect of the Leader of the Opposition—

3:10 p.m.

Mr. Smith: Coming from you, that is faint praise.

Hon. Miss Stephenson: —or at least his own impression of his superior intellect, which is shared by a minority of one.

Mr. Speaker, I did not in any way suggest there was not concern about the future of universities. That was the area I was addressing in my comments, which were made both within this House and in the committee examining my estimates. I do believe the exercise of constraint has been a valuable one for all the institutions for which government has some responsibility. I think it has been equally valuable for the universities, and I believe it will continue to be valuable to them as an exercise in ensuring they expend all the dollars available to them efficiently, economically and in the best interest of the objectives of post-secondary education in this province.

I do believe as well that the federal government has a responsibility to the universities of this country. I do not think it can unilaterally abdicate that responsibility without any discussion at all with the institutions or with the provinces.

Mr. Wrye: Supplementary, Mr. Speaker: It is really unbelievable that the only winner from this withholding of money has probably been the treasury of Ontario. Can the minister honestly try to tell us that when she holds back \$321 million over four years, it is harmless, but, if the federal government in the fifth year cuts back its transfers by one dollar, it will bring our university system to the brink of destruction?

We hold back dollars for four years and nothing happens but the second they are withheld by the feds there is an effect.

Hon. Miss Stephenson: The comparison chosen by the honourable member is sheer idiocy. I would recommend he establish some more reasonable basis for comparison. I do not know whether the amount suggested by the Leader of the Opposition is the amount that would have been transferred to the universities. He cannot make that estimate. It is a figure he picks out of the air, like so many other figures he uses in this House. There is a federal responsibility for universities that cannot be abdicated. That is a very reasonable position, which the federal government, the member's friends, should understand.

Mr. Speaker: Final supplementary, the member for Sudbury East (Mr. Martel).

Mr. Martel: New question.

Mr. Speaker: The Minister of Community and Social Services (Mr. Drea) has a brief answer to a previously asked question.

Hon. Mr. Drea: Mr. Speaker, in fairness, the member who asked it is not in the House, so I will make it in a ministerial statement on Thursday.

Mr. Speaker: New question.

Mr. Sweeney: Supplementary?

Mr. Speaker: No, I have already recognized the member for Sudbury East with a new question.

Interjections.

Mr. Speaker: Nobody else stood up and I recognized him with a new question. I asked for a supplementary, with all respect, and it was identified as a new question.

FALCONBRIDGE DISPUTE

Mr. Martel: Mr. Speaker, I have a question of the Minister of Labour (Mr. Elgie). However, I might suggest to the Minister of the Environment (Mr. Norton) that if he wants our American friends to get an unbiased position on acid rain they should meet with the member for Nickel Belt (Mr. Laughren) and myself.

The Minister of Labour will recall some months ago appointing a referee in the dispute between Falconbridge Nickel and Mine, Mill and Smelter Workers and he will recall the decision favoured the workers. Is the minister now aware that the company is appealing that decision and the Attorney General's office is

intervening in this matter in conjunction with the company to try to offset the recommendations of the referee in this dispute?

Hon. Mr. Elgie: Mr. Speaker, may I, first of all, remind the member for Sudbury East (Mr. Martel) that, since it never rains in California, our visitors would not be interested in the problems in Sudbury.

Interjections.

Hon. Mr. Elgie: That is all right. I know it does not rain in Halton, either, but never mind.

The member has referred to the decision of the referee, Mr. Rory Egan, relating to the issue of work weeks. He chose to say it was a decision in favour of the workers. I like to think Mr. Egan was appointed to determine what the words meant. It is true that Falconbridge, the company involved in that decision, has decided to appeal it.

I am not quite sure what the member is driving at. If he feels anything the Attorney General or even I could do to facilitate that appeal and get it dealt with as quickly as possible is wrong, then I am not sure I have a problem. I suspect he has because my interest is in getting that issue resolved and determining just what the law is. If the company chooses to appeal that decision, I submit it is in the interests of everybody, including the employees of Falconbridge, that it be settled as quickly as possible.

Mr. Martel: I might just answer that question. The Minister of Labour should be defending labour and the Attorney General should mind his own business. If Falconbridge wants to appeal, let it appeal. Why should the Attorney General—

Mr. Speaker: Question.

Mr. Martel: Is there some truth—

Hon. Mr. Elgie: Mr. Speaker, that was a supplementary.

Mr. Martel: No, that was just an answer.

Hon. Mr. Elgie: Mr. Speaker, I submit we have had a supplementary.

Mr. Martel: Mr. Speaker, if I can have a supplementary: Is there some truth to the rumour the Ministry of Labour is interested in getting this decision overturned? I want to know, if that be true, what the Minister of Labour is prepared to do? Studies by his own ministry indicate that working a seven-, eight or nine-shift schedule in a row on afternoon or graveyard shifts is detrimental to the health of the workers. What is he prepared to do to

prevent the company from circumventing the intent of the Employment Standards Act, which was to see workers work no more than 40 or 44 hours in a given week, and not to play the calendar to beat the men?

Hon. Mr. Elgie: I think we should get certain things very clear in our minds. The Minister of Labour now has a referee's decision—

Interjections.

Hon. Mr. Elgie: Try it. The member might like getting the logic of it all clear in his own mind.

The member's constituents in Sudbury want to know the truth about this issue and I think they should hear it right here and now. If the Minister of Labour, who appointed Mr. Rory Egan to make a determination as referee on the meaning of that section, is not interested in accelerating the judicial process which was instituted by others, I have to ask the member for Sudbury East just who is really interested in the rights of the workers? I submit it is I. I want that issue resolved in law so this government can face what the law is, since that is now in jeopardy because the matter has been appealed.

Mr. Foulds: On a point of order, Mr. Speaker: I believe you called on the Minister of Community and Social Services to give an answer to a question. I believe the member is at present in the House and the minister could reply.

USE OF PEAT

Mr. J. A. Reed: Mr. Speaker, I have a question for the Minister of Energy. He is, of course, aware of the study on peat potential in Ontario released yesterday, which confirms a view held by the opposition for a number of years that peat is one of the major fuel options of the future for this province. I wonder if the minister can explain how he could support the \$650 million acquisition of Suncor, using money which adds to the provincial deficit, when such a profound alternative fuel potential is waiting for just such a large investment?

Hon. Mr. Welch: Mr. Speaker, as my honourable friend knows, it is not an either/or proposition. We have to make sure we are assuming positions of leadership in a number of areas in the energy field. The honourable member knows that with the initiatives taken in alternative transportation fuels alone we are involved in research and experimentation in a number of these that are set out in that booklet.

I do not think the honourable member serves the people of this province well by attempting to

convey the impression we are ignoring other areas of responsibility. We recognize that half the oil used in this province is in the transportation area. There are indeed some very significant things that will be done in so far as the transportation area is concerned. These include the utilization of compressed natural gas, methanol, ethanol and ultimately in other areas of fuel alcohol and hydrogen.

I do not think we are neglecting our responsibilities in that area. The member should travel throughout this province. I am very pleased with the reputation this province has in assuming leadership roles in this regard.

Mr. J. A. Reed: Mr. Speaker, by way of supplementary—

Mr. Speaker: The time for oral questions has expired.

3:20 p.m.

PETITIONS

CIVIL SERVICE COMMISSION

Mr. Nixon: Under standing order 33(b) I am presenting a petition on behalf of my colleagues that the annual report of the Civil Service Commission for the year ended March 31, 1981, be referred to the standing committee on procedural affairs.

MINISTRY OF ENERGY

Mr. J.A. Reed: Pursuant to standing order 33(b), I have a petition stating that the annual report of the Ministry of Energy for the year ended March 31, 1981, be referred to the standing committee on general government.

ONTARIO ENERGY CORPORATION

Mr. J.A. Reed: Mr. Speaker, I have a further petition under standing order 33(b) that the annual report of the Ontario Energy Corporation for the year ended December 31, 1980, be referred to the standing committee on general government.

MINISTRY OF AGRICULTURE AND FOOD

Mr. Riddell: Mr. Speaker, under standing order 33(b), at least 20 members of the Liberal party petition that the annual report of the Ministry of Agriculture and Food for the year ended March 31, 1981, be referred to the standing committee on resources development. If there had been more room on the petition it would have been 34 members.

MINISTRY OF HOUSING

Mr. Epp: Mr. Speaker, I have a petition under standing order 33(b), that the annual report of the Ministry of Housing for the year ended March 31, 1980, be referred to the standing committee on resources development.

COMMISSION ON ELECTION CONTRIBUTIONS AND EXPENSES

Mr. Conway: Mr. Speaker, rising under a similar provision, I enter into the assembly a petition signed on behalf of 20 of my colleagues to the effect that the annual report of the commission on election contributions and expenses for the year ended January 31, 1980, be referred to the standing committee on procedural affairs.

UREA FORMALDEHYDE FOAM INSULATION

Mr. Van Horne: Mr. Speaker, I beg leave to present a petition signed by 2,600 residents in London and district. This petition asks the government of Ontario to assist homeowners with the removal of urea formaldehyde insulation.

These 2,600 residents, more than 500 of whom have homes in London containing urea formaldehyde insulation, feel as I do that all three levels of government must come to the aid of these unfortunate homeowners whose health is in jeopardy because of this product.

RURAL ELECTRICITY RATES

Mr. Wrye: Mr. Speaker, I beg leave to present to the Legislature two petitions, the first signed by 229 elected and appointed commissioners and key-operating personnel from around Ontario; the second signed by 334 customers of the Windsor Utilities Commission in the Windsor area.

These petitions are as follows:

"That the matter of reducing the differential between rural and urban residential electricity bills be referred to a standing committee of the House so as to provide for a more reasonable public examination of the significant change in the method of allocating cost of power to power consumers."

EMPLOYEE HEALTH AND SAFETY

Mr. Martel: On a point of order: On April 28 I raised a question with the Minister of Natural Resources regarding the question of employment health and safety as is outlined in the manual or in the job description for employees.

The minister indicated he would review the matter and I want to ask the Speaker how long we are expected to wait before we receive replies to questions from ministers?

Hon. Mr. Pope: Mr. Speaker, the honourable member is probably aware that approximately 10 days ago I filed an operational manual with respect to the use of pesticides and herbicides for all employees of the ministry in this House.

Mr. Laughren: On that point of order: Perhaps the minister could tell us why in that same report there was no inclusion of the pesticides used?

Hon. Mr. Pope: I think it is clear that in our discussions last April on this matter, the pesticides that were involved were discussed, as was the fact that they were certified under the applicable federal legislation and the process used in arriving at that decision.

SELECT COMMITTEE ON PENSIONS

Hon. Mr. Wells moved that the select committee on pensions be authorized to sit after routine proceedings on Thursday, October 29, 1981.

Motion agreed to.

INTRODUCTION OF BILLS

CITY OF TORONTO ACT

Ms. Fish moved, seconded by Mr. Robinson, first reading of Bill Pr18, An Act respecting the City of Toronto.

Motion agreed to.

ASSESSMENT AMENDMENT ACT

Mr. Di Santo moved, seconded by Mr. R. F. Johnston, first reading of Bill 154, An Act to amend the Assessment Act.

Motion agreed to.

Mr. Di Santo: Mr. Speaker, the bill originated because of the situation of oil companies being exempted from paying property taxes in North York. The bill empowers municipalities to pass bylaws providing that lands not zoned for agricultural use but used for farm purposes shall not be assessed as farm land.

FAMILY BENEFITS AMENDMENT ACT

Mr. Martel moved, seconded by Mr. Samis, first reading of Bill 155, An Act to amend the Family Benefits Act.

Motion agreed to.

Mr. Martel: Mr. Speaker, the purpose of the amendment is to remove any reference to the

sex of the parent, thereby enabling either the mother or father of the child to be eligible for family benefits.

3:30 p.m.

FOURTEENTH ANNIVERSARY OF 1967 ELECTION

Mr. Ruston: Mr. Speaker, I just wanted to clarify a point in Hansard of October 19, 1981, when the Minister of Transportation and Communications (Mr. Snow) was remarking on the people elected in 1967. I wanted to make sure Hansard was aware that I, too, was one of those who were elected and that my name was not mentioned.

Mr. Speaker: I am sure we are all pleased and happy to hear that. Congratulations.

ORDERS OF THE DAY

POWER CORPORATION AMENDMENT ACT

Mr. Andrewes, on behalf of Hon. Mr. Welch, moved second reading of Bill 141, An Act to amend the Power Corporation Act.

Mr. Nixon: Mr. Speaker, I recall very well the position put forward by the Liberal Party and my colleagues, particularly the leader of our party, calling for a reduction of the discrepancy between the amount paid for electric energy by people in rural areas—farmers—and that paid by people in urban areas. We are glad to see the government has responded, at least in some small measure, to the promise the Premier made before the last election to move towards the removal of at least part of that discrepancy. We feel however that building a continuing difference in the rate structure into the more or less established position of the government in advising and supporting Ontario Hydro does not serve the farm community sufficiently or in the terms the Premier promised.

I recall the day very well because the member for Grey (Mr. McKessock) had the galleries filled with farmers who were concerned about the economic pressures put on them because of the lack of leadership by the then Minister of Agriculture and Food in assisting with farm costs, particularly interest rates. That was in the days when these outrageous rates, which were pressing some farmers to the wall, particularly in the Grey area, were approaching 14.5 to 15 per cent. Now that those same farmers are required to pay 23 or 24 per cent we can well understand how outraged they were when they heard certain bank officials were reporting to

the government it was only one or 1.5 per cent of the farmers who were concerned with these high interest rates.

The member for Grey had taken the initiative to put forward a private member's bill in the House on a Thursday afternoon, and many of the farmers in the Bruce Peninsula had come here to listen to the debate and, by their presence, support its contention. Just before the debate started the Premier got up and announced, in much the same offhand way and with as little consultation as he announced even the decision to buy 25 per cent of Suncor, that it was government policy to remove the differential between the urban and rural rates.

I think if one were to look up the debates both then and many years ago in this Legislature he would see the concept of a flat rate for electric energy has long been before this House. Unfortunately it was not accepted 25 or 30 years ago when other provincial jurisdictions made the commitment that users of electricity would pay the same rate wherever they were located in the jurisdiction.

This has been a continuing argument here because Ontario Hydro has had the strange opinion that somehow or other farmers should pay more because they are dispersed over a larger area than consumers of electric energy in urban areas. This does not make sense, particularly when one considers that farmers have to use electric energy for the production of farm products and also when one considers the additional stress on the farm community from the high-tension power lines that bring the energy from the generating stations to the urban centres.

After all, as my colleague the member for Halton-Burlington (Mr. J. A. Reed) has said so often, it was Ontario Hydro that decided that one of our principal atomic electricity production plants would be in the Bruce Peninsula and that extremely costly lines would have to be built to bring the energy to the urban centres.

Very near my own constituency, at Nanticoke, there is the largest coal-fired plant in the western world, perhaps in the whole world. We have to stand the stress and strain of pollution from that plant, and the high-tension lines taking the energy to the urban centres disrupt the farms and the smaller rural communities which are still expected, according to the policy of the government, to continue to pay those unnaturally high rates. This has gone on for a long time, and it has been unacceptable in the farm community for a long time.

The Premier, being the sensitive politician that he is and having a group of 300 or 400 farmers in the gallery, could not resist trying to steal the show that day—and, frankly, he was pretty successful, since the farmers were very interested in it—by getting up and saying, “By the way, while you are here waiting for the member for Grey (Mr. McKessock) to lead off in the debate, I am promising you cheaper electric power.”

That was well accepted. But the people in the area did not accept the bribe and vote for the Conservative candidate. They are far too wise to do that, particularly with the quality of the representation they have had there since the election of the present member for Grey. But, in spite of that, it was a major political stand across the province. So, while this bill is acceptable in that it improves the situation, the discrepancies in the two levels remain.

It is of continuing concern that the Premier has not used his well-known influence at Ontario Hydro to have them accept a much broader and perhaps more advanced and progressive procedure for pricing electrical energy, particularly for household use, because naturally the basis for payment is the more you use, the less it costs. That is really a strange basis when we want to conserve an expensive resource. If this were going to be applied to industry, then naturally there would be every reason to believe that the rate structure should encourage an expansion of industrial utilization, whether it is in the farming industry or elsewhere, if it is going to lead to an expansion of the gross provincial product and the jobs associated with such an expansion.

We know that the honourable member whose services, Mr. Speaker, you have dispensed with for the remainder of the afternoon, the member for Grey-Bruce (Mr. Sargent), has repeatedly put on the Order Paper of this House a bill that would take care of one of the other substantial problems in the provision and pricing of electrical energy; that is, making the basic quantum the electricity necessary for the maintenance of a household, cooking food, heating water and providing the other essential amenities to a modern life, and making the cost of that amount of electricity very small so that everyone, our senior citizens and others, would have the basic amount of electricity needed for their life requirements available at a very low rate. On top of that, the people who move on to the more luxurious facilities in the consumption of electricity should pay more for it. It seems to me that

a more progressive pricing structure might very well be built into what Ontario Hydro uses as its base.

The Premier has substantial influence with Ontario Hydro. The chairman is his close friend and was put there so that the government of the day would have a substantial say in what goes on in that office. Actually, I was quite relieved to note that the Premier's influence with the chairman's office was underlined, extended and strengthened by the appointment of his former special assistant, who certainly established himself in this House and its environs as a competent gentleman indeed. We were interested to see that his duties had been transferred from the Premier's office to the office of the chairman of Ontario Hydro itself. It is worthy of note that the gentleman is even present here today, since the chairman of Hydro would be far too busy to walk across the street and come up that steep hill to observe what goes on here. As a matter of fact, Hydro is well represented, even on that basis.

3:40 p.m.

When the Premier indicated in this House that he wanted the discrepancy between urban and rural rates abolished once and for all, I thought that would have been done forthwith and without the kinds of delays we have experienced since that day, more than a year ago, when the Premier made his promise. He has backed down from that a bit. The arguments came from Ontario Hydro, and I suppose one can see their point when they said: “Where is the money going to come from? Are you generous people on the Treasury benches going to back up your promise to reduce the rural rates so they are parallel with the urban rates? Are you going to back up that promise with the transference of sufficient funds from the provincial Treasury for the payment of the extra cost?”

The Premier is quite willing to make these gifts as long as somebody else pays the bill. Under these circumstances, Ontario Hydro has announced that it is going to raise urban rates to balance the responsibility of the relatively small reduction in rural rates. This is a matter about which we have already been given notice and which will be up for debate both in terms of the principle of the bill and when the bill comes before us for more detailed investigation on a clause-by-clause basis.

I am a farm user myself. I note that the basic program of the Progressive Conservative Party in the recent election—which they won by the

skin of their teeth—indicated they intended to step up both the production and utilization of electricity. To do that, presumably they feel that, as a result of reducing the rates, the rural areas will increase their utilization of electricity.

There is a substantial question that has been put forward by members on all sides of the House as to the efficacy of such a program. Certainly, over the years since Adam Beck co-ordinated the municipal system into Ontario Hydro, the farmers, as much as any other group, have based the operation of their production on the availability of electrical energy at a relatively low rate.

One of the difficult things for farmers to accept in recent years has been the fact that provinces with which we compete, particularly Quebec, have been able to offer electrical energy in the farm community at a rate substantially lower than that which is charged in this province. As a matter of fact, our rates in the rural areas have been, and still are, higher than any other rates west of New Brunswick. New Brunswick makes all of its electricity from oil and has some reason to have higher rates than Ontario.

Ontario, through improper management of its electrical resources, has seen its rates go up faster than was necessary. The provision of substantially unnecessary additional overhead in the cost of production of electricity has resulted in an increase in cost that is unwarranted even by the rates of inflation we face. We would have been much better protected against those rate increases if Ontario Hydro had followed the lead given not only by many members of this House and by the chairman of the select committee but also by Darcy McKeough, who in some respects saved us from the unnecessary rates that would have come forward if the rate of expansion of Ontario Hydro had been maintained at the planned level before the then Treasurer cut it back.

We intend to support the bill. We have had representations that it should go before a standing committee so that representatives of urban areas, who do not like the idea very much, may come and express their views. We feel that the Premier, in expressing the new government policy—from the seat of his pants or from the top of his head, whichever geography appeals to you, if I may put it that way—has set in motion a procedure that is certainly not at an end yet.

We in the Liberal Party were among the first to call for a flat-rate approach so that the consumers of electricity in the rural areas would

not be penalized on a geographic basis. We feel that the bill in principle can be and should be supported on that basis.

Mr. Foulds: Mr. Speaker, I rise to express my party's support for the bill. We support it with some reluctance, because we do not think the bill goes far enough. It is a step in the right direction but only a step.

We believe firmly that the principle of equalization of prices is one that should be embedded totally in the legislation. We in this party have fought for the equalization of prices between northern and southern Ontario, for example, in regard to oil and gas. We have fought for the equalization of prices for a number of commodities so that we could take the costs of the transportation of goods and equalize them across the province so that the consumers of this province, in regard to a number of goods, could benefit from the pleasure and pain of belonging to this province.

It is interesting that the provincial government can see its way clear through such government agencies as the Liquor Licence Board of Ontario and the Liquor Control Board of Ontario to equalize the prices of liquor and beer across the province. Rural and urban consumers pay the same price; southern and northern consumers pay the same prices. Those are government agencies, and they have developed pricing mechanisms so that happens. They continue to make a healthy profit at the Liquor Control Board of Ontario and the Liquor Licence Board of Ontario.

But somehow the government does not seem to be prepared to bring Ontario Hydro, another government agency, into that same line of thinking for the benefit of the consumers of Ontario. I would submit very strongly that it is far more important to equalize the price of electricity between urban and rural, and between north and south, than it is to equalize the prices of liquor and beer.

I submit that, important though the commodities marketed by the Liquor Control Board of Ontario may be, they are not essential commodities. It depends upon the time, too. However, electricity is a far more fundamental commodity and is in fact an essential commodity.

I want to suggest, and we will be addressing it in the clause-by-clause debate on this bill, that we should not embody in a piece of legislation what is being embodied in this legislation, which is a guarantee. We are legislating a guarantee that there will be a differential of 15 per cent between the urban and rural consumers.

Mr. J. A. Reed: Are you opposed to this bill?

Mr. Foulds: No. We are in favour of it. We are voting for it, unlike my friend's colleague the member for Windsor-Sandwich or wherever it is who presented the petition. It is going to be very interesting, it is going to be an absolute delight to see whether the Liberal Party is going to allow a free vote on this bill as it has in a number of other instances when faced with tough decisions.

It is going to be interesting to see whether the Liberal Party is going to try to stand on both sides of the fence on this issue or whether it gets the barbed wire straight up the dividing line. It is going to be interesting to see whether the Liberal Party and all its members will be able to fight as strongly as the Liberal Party claims it does for the rural consumer throughout this bill or whether they are going to be saying, as they have traditionally in the politics of this province, one thing in northern Ontario and a different thing in southern Ontario, one thing in rural Ontario and a different thing in urban Ontario. It is going to be very interesting to see.

3:50 p.m.

I admit, Mr. Speaker, I have been diverted by the member who interjected. I want to tell you that we in this party understand the difficulties presented by this bill.

Mr. Nixon: And you're solving it in a very novel way.

Mr. Foulds: We understand, more than the most recent interjector, the difficulties faced by consumers in rural Ontario. As a person who comes from a riding, Port Arthur, that has a mixture of urban and rural people, I feel this very strongly in a personal way, because there are people within 12 miles of the city of Thunder Bay who do not yet have electricity. Can members believe that? Can they believe this province has not yet completed its electrification plans for its whole area? And can they believe that there are, not communities but many householders, farmers and homesteaders within a 20-mile radius of the city of Thunder Bay who have not yet got electricity because Hydro has presented to them such a prohibitive cost in the additional units they must buy in support, in perpetuity, and additional costs in building the line, that they cannot afford it? The costs are simply prohibitive for one individual, one household, one small business or one farmer.

Hydro not only should be equalizing the rates, as it is failing to do in this bill, but it also should be taking steps so that the burden of getting

electricity to people in the rural community, in a capital cost sense, is not borne entirely by those individuals. The principle that is important and crucial here is that we, as a rich, diverse and varied province, should be sharing those costs among the consumers and users across the province. That is the principle that we in this party support, and that is the principle we will be voting on. My colleague the member for York South (Mr. MacDonald) will be speaking in greater detail on second reading and will be presenting an amendment that would meet the principles I have enunciated.

Mr. J.A. Reed: Mr. Speaker, first of all, it should be put on the record that the Liberal Party in Ontario for a long time has been an advocate not just of reducing the undue differential between urban and rural rates but of eliminating that differential. We have a situation in rate structures right now where even a few urban municipalities pay rates as high as, or higher than, the rural rates have been up to this time. We have always been anxious, as a matter of social policy in this province, to work towards the time when we can have a single price for electric power.

As a matter of fact, on the government side, one of the former Ministers of Energy has supported that concept himself, the member for Prince Edward-Lennox (Mr. J.A. Taylor). He has called the differential between rural and urban rates a ripoff of rural Hydro customers. The member for Brant-Oxford-Norfolk has spoken many times suggesting that we in Ontario have the highest rural rates west of New Brunswick. The need to eliminate this incredible differential has been very obvious; it is really time that we got down to the business of eliminating that differential.

It was interesting to see the statement by the Treasurer (Mr. F. S. Miller) regarding hydro rates in his last budget. At the bottom of one of the pages—I think it was page 16; I do not remember for certain; some of the people here may be more aware of exactly which page it was on—the line said the government would eliminate the undue differential between urban and rural rates. Of course, the sentence was designed for all of us to accept the word “eliminate” as the operative word in that budget. The operative word in that sentence was not “eliminate;” it was “undue.” It is a way of using the English language to somehow twist what one intends.

Mr. Nixon: The Premier wrote that part himself.

Mr. J. A. Reed: The Premier is very good at those things. So it became something of a convolution.

When we work towards this process of eliminating the undue differential or, we hope, working towards the Liberal Party's goal of eliminating the differential, one has to consider what mechanisms are to be used to achieve that goal. One of the studies suggested that there are two options available to the government. One is to put the cost of eliminating that differential into the Hydro rate system across the board: to make it like the beer business, if you like, where we pay the same price for beer in Georgetown and in North Bay. This means that one area is subsidizing another for the costs of transportation and so on.

That is one way of doing it. Another way that has been suggested to the government is the mechanism of direct subsidy. The government has chosen a combination of the two at the present time, and one must wonder just what tack it will take in the future, whether it will move entirely towards rates and eliminate the subsidy, or just how it will work.

There are some other considerations, though, that have not been looked at seriously by Ontario Hydro or the government. For instance, when we think of the industrial rate structure in this province we think of the fact that we are still selling electric power on an interruptible basis to industries that have not had their power interrupted for years. In fact, they get a very preferred rate.

I think the time has come for those industries to decide whether they are prepared to accept interruptible power as interrupted power when it is necessary to interrupt it or whether they want to have firm power. Such a decision would result in a change in the revenue from those corporations, and it would allow Hydro to adjust its investment or its prospective investment accordingly to use the process of interruption as a technique in managing the electric power system.

What we are doing now is building capacity on capacity, and there is no need to incorporate an interruption in the system. All of that costs money, and it involves a great deal of heavy investment. I submit that if we used interruptible power the way it was originally intended, as a mechanism for load management, not only would we reduce the amount of investment that is necessary or that we think is necessary to carry Ontario Hydro but also we would reduce electric power rates generally in the process. It

seems to me that the whole question of how we apply our rates has to be considered when we are looking at the equalization of rates across the province.

4 p.m.

My colleague the member for Grey-Bruce introduced a bill, called the Lifeline bill, a couple of years ago; it was designed to provide a basic amount of low-cost electric power to every purchaser in the province. The result of it would be that someone who was a very modest user of electricity—a pensioner, a person living alone, a person on a fixed income and so on, or a person very concerned with energy conservation—would have some incentive to use less, because he could take advantage of quite a low price.

We did some cost studies and found that the impact on rates would be infinitesimal. It seems that when we are talking about putting the onus on one area to help subsidize the other area in terms of electric power pricing, perhaps it would be appropriate to dovetail those changes with a consideration of rate structures based on the lifeline concept.

If you go into various states in the United States that have much more expensive electric power than we have, we find that there is a lifeline policy in effect. I invite anyone to go to Massachusetts and look at the great structure that is there, because the initial block of electric power that is purchased by everyone in Massachusetts is purchased at a low rate, and then the regular rate structure applies after that.

There is also the new experimental area of time-of-day pricing that is under study by Ontario Hydro at present. We have a lot of things to consider. Any of these mechanisms could be used as a partial or perhaps total mechanism—and I do not know the numbers, since I have never tried to crunch the figures on these things—for accomplishing uniform rates across the province without imposing undue hardship on other people.

The NDP had supported the move towards uniform rates across this province, and I am very happy to be able to join with their support. As a matter of fact, I would like to put on the record some of the words of the member for York South (Mr. MacDonald), that endorse that basic position. He says: "There are four provinces in this country which have, if I may use the term, homogenized rates. They have uniform rates. BC, Quebec, Nova Scotia and Newfoundland have equal rates for rural and urban all

across. That is not a foreign philosophy. It is a philosophy which this government accepts in many other areas."

He goes on: "If you want to buy beer in a brewers' retail outlet—I do not care whether you buy it in Bobcaygeon or buy it in Toronto, it is the same price. If you want to pay for services such as OHIP services, health services, you pay a premium and the premium is the same all across the province. So it is not a foreign idea that you should have uniform prices . . ."

Then he makes a very interesting statement that we "should homogenize the price within Hydro so that the rural users are not going to be permanently penalized." He thinks we should homogenize the price within Hydro. It will be interesting to find out how the NDP proposes to homogenize the price within Hydro when we get this bill into committee.

One of the interesting comments made by the former president of Ontario Hydro in select committee—and I am paraphrasing what he said at the time when we were talking about lifeline rates and structuring that would perhaps give some encouragement or assistance to people on fixed incomes—was a suggestion that Ontario Hydro was not empowered to be in the social service business.

Yet we find in this bill Ontario Hydro is being empowered to be in the social service business through these amendments to the Power Corporation Act. In other words, it is given its powers through the Legislature and the Legislature can determine to what extent, if any, Ontario Hydro should be in the social service area. That is why we advocate the establishment of the lifeline process and feel it might be appropriate at this time.

The rural-urban differential is really greater than appears on the surface. That is one of the great reasons why the need is there to reduce or try to work towards eliminating this differential. The differential is greater than appears on the surface.

I am sure most of us who live in rural areas realize that a farmer, if he lives in on his farm, has to put up his own lines. He does not get them run into his house as he would in some other circumstance. The rural service will come in so many feet on to his property and there it stops. The capital cost of running that line the balance of the distance—in my case it is 600 feet into my home—has to be added to the actual hydro bill.

Conversely, it means the cost of distribution of electric power, which admittedly is higher in the rural areas, is not as high as it may seem on

the surface because the rural owner is actually paying for some of that service up front and has to write off his own capital cost.

There were two petitions presented this afternoon by my colleague the member for Windsor-Sandwich (Mr. Wrye) which indicated to this House there was concern in certain areas about the speed with which this bill was being passed. There was a telegram received by my colleague the member for Windsor-Walkerville (Mr. Newman) which says, "The Windsor Utilities Commission protests the speed at which Bill 141 is being processed through the Legislature without anyone realizing the full implications of this change."

Because there are so many considerations and because there are options available in considering how these differentials are to be reduced, it is the position of our party to support this bill, but we will ask that it go to a standing committee upon second reading so that proper deputation can be made to the bill, arguments can be heard and opportunities to look at other options can be discussed within the government.

I am sure the Ministry of Energy in particular and those in Ontario Hydro would like to hear what the municipal utilities have to say about these rates. I hope some constructive suggestions may be put forward as to how this move towards equalization can be accomplished, perhaps even better than it is being done. But make no mistake, our party is supporting this bill. We support this bill in principle, but we feel arguments and alternative suggestions have not been heard for the reasons I have put forward in this debate. I look forward to dealing with them in the standing committee.

4:10 p.m.

Mr. MacDonald: Mr. Speaker, I wish I could be absolutely certain where the Liberal Party stands. Their House leader said they are in favour of uniform rates. That means the same homogenized rates for rural and urban areas across the province. The last member seemed to be talking about something a little different. He was not quite so explicit in terms of uniform rates. However, let me not be concerned for the moment about that.

Mr. J. A. Reed: On a point of clarification, Mr. Speaker.

The Deputy Speaker (Mr. Cureatz): I am not familiar with a point of clarification in the standing orders.

Mr. J. A. Reed: Let us make no mistake that my colleague the member for Brant-Oxford-

Norfolk (Mr. Nixon) and I were talking about the same thing. He was talking about the principle of what we believe and I endorse that wholeheartedly. I was looking at the means of accomplishing it.

Mr. MacDonald: Looking at the means of accomplishing it is the interesting snare in that statement. We will come back to that again.

The differential between urban and rural rates, as everybody is aware, has stood at about 30 per cent for quite a number of years and it has been the focal point of growing criticism. In fact, it was such growing criticism that the government, with an election in the offing a year or so ago, decided it would have to respond to that because it had to hold some of those rural seats if it wanted to get its majority back. So it responded.

There was an interesting fudging of the issue as to whether it was to be an elimination of the differential or a reduction of the differential. On occasion, out on the hustings, it was referred to in such terms that the audience would assume it was an elimination of the differential, but if one read exactly what the Premier or the Minister of Energy said it was a reduction of the differential.

We will support this bill because it goes at least 50 per cent towards establishing, reflecting and enshrining the principle the government was speaking to, that the differential is unfair and therefore should be eliminated. But it is only going to be half eliminated. As usual with this government, we have the problem of reacting to half a loaf. One reacts with a degree of reluctance and regret because it is only a half loaf. On the other hand, half a loaf is better than none, so one supports it.

That is what we will be supporting, but we will be supporting it with the reservation that the government is not establishing the principle of eliminating that unfair differential. When we get to committee we will be making an amendment, a copy of which I have already distributed, to eliminate that and go down to a zero differential. I know the parliamentary assistant has a copy and I assume others have it.

Just let me review briefly what has happened, because it is a fascinating scenario. As we all know, in the spring of 1980, about April or May, the Premier announced that the government was finally going to come to grips with the problem of the differential between urban and rural rates. He had instructed his Minister of Energy, in conjunction with Hydro, to work out a means by which that could be achieved.

In the fall the election was getting even closer and there was information coming out that Hydro was resisting the elimination of the differential. Indeed, Hydro put out a document in the summer of 1980 that indicated the differential could be reduced to 15 per cent but not below 15 per cent, because the cost of distribution of power in the rural areas was 15 per cent higher and, therefore, those consumers should bear that extra 15 per cent cost. The government did not want to bow to that, because it would appear to be breaching the promise it had made to the rural areas on the eve of an election, so it solved the problem by dipping into the public treasury and providing a subsidy of some \$20 million, as the first step towards doing something about the differential.

When the \$20 million subsidy was made available to Hydro to achieve this start at the reduction it was indicated by the Minister of Energy that this represented a 30 per cent reduction of the differential. If \$20 million represents a 30 per cent differential then the total differential is in the range of \$68 million. If the government had pursued that course it would have had to go from \$20 million to \$34 million to cover half the differential, and it ultimately would have had to go to \$68 million every year in perpetuity in order to remove that differential.

It decided it did not want to take that course in this age of restraint. So now it is bringing in a bill that says that dipping into the public treasury by way of subsidy partially to eliminate the differential is going to end. What it is going to do is to eliminate the differential by 50 per cent—15 per cent of the 30 per cent is going to be eliminated—and instead it will pick up the money required to eliminate that 15 per cent by increasing rates in the bulk power sales to the public utilities by some one per cent to 1.5 per cent.

The interesting thing about this process is, as has already been pointed out by the member for Brant-Oxford-Norfolk and by my colleague from Thunder Bay, that what the government is now going to do, in effect, is to consolidate and to perpetuate for the foreseeable future that the differential shall be 15 per cent. It will be reduced from 30 per cent, but it will be fixed at 15 per cent.

I think that is regrettable. That is, in effect, saying to the rural customers across Ontario, "You have carried an unfair burden up until now. We are going to reduce the burden by one half, but you are going to continue to carry the

other half." That, I repeat, is half a recognition. It is half of an acknowledgement of the principle. It is not a 100 per cent acknowledgement. That is the reason we have objections to this bill, even though we have to take that half loaf.

Let me focus on the reasoning for this, because I think there is some false reasoning here. Ontario Hydro dug its heels in and, quite frankly, when Ontario Hydro digs its heels in, it rules the roost—not this government. It has always been the case and it still remains the case. Ontario Hydro says the cost of distributing power out in rural areas where the customers are more widely scattered is higher. It calculates it at 15 per cent higher and therefore it says, "Within the framework of our mandate, which is to provide power at cost, it is legitimate, it is a fair proposition that we should charge rural consumers 15 per cent more."

The falseness of that reasoning is that there is an alternative way of implementing power at cost. The alternative way is to put all the costs in for all the various categories of consumers—major power consumers, public utilities, rural consumers—who are direct customers of Hydro, and come out with a uniform price, a uniform charge to the consumers. That is what has been done in four provinces across this country—British Columbia, Quebec, Nova Scotia and Newfoundland. For quite some time they have established uniform costs. They have homogenized the costs and homogenized everything, so that they have a uniform rate that is applied to all kinds of customers.

I understand in this day of rising prices why the public utilities' spokesmen say they do not want their rates increased to 1.5 per cent in order to eliminate this injustice of the rate differential in the rural areas. I understand that. But there is a principle involved. It is a principle we normally have lived and operated by in this province. That is, just because one happens to live in a rural area and the costs of distribution of goods or a service happens to be higher, one should not be penalized. If one happens to live in the north—where the population is more scattered and therefore the costs of distribution are higher—one is not penalized.

4:20 p.m.

As my colleague has pointed out, whether one thinks of Brewers' Retail store prices, liquor store prices or Ontario health insurance plan premiums where the distribution and servicing costs are higher out in the smaller, scattered rural and northern areas, they are not charged more. We have uniform prices across the

province. Therefore, that principle is a valid one. It should be implemented 100 per cent and not 50 per cent by reducing that differential from 30 down to 15.

It should be pointed out to those who are objecting to a minor increase in urban areas in order to eliminate this injustice out in the rural areas that this kind of thing has gone on in the pricing structure of Ontario Hydro for a long time. I pick up on some of the comments the member for Halton-Burlington made. It is true we have been supplying power on an interruptible basis to industrial consumers for years when it has never been interrupted. They have been getting power cheaper than they should have.

We have a rate structure in Ontario Hydro which stipulates to the major power consumers, in defiance of the conservation ethic, that the more one buys the less one will pay for each increment of power one happens to get. The whole system had to pay the cost of new, unnecessary generation to supply these consumers at a lower cost. Nobody has objected to them getting that lower cost for the added increments they happen to purchase. I have not heard any great objection reiterated—certainly nothing Hydro or the government has been willing to respond to—from the spokesmen of the public utilities commissions.

It goes all across the board. My friend the member for Welland-Thorold (Mr. Swart) was just telling me that when the town of which he was reeve for years extended its boundaries and brought in a whole lot of rural areas, the net effect was the cost of electricity to the people who lived in the original town of Thorold went up some 25 per cent. This was because their public utility now was building up services in the rural areas around it. But they shared that cost.

My colleague the leader of this party refers to the fact that in the central part of Ottawa where there are concentrations of people and where the distribution of power would be cheaper because of that concentration, it would cost less to deliver power to them than to the people who are on bigger lots and in scattered areas in the outer fringes of the public utility's area of distribution.

But we do not have different prices for those who happen to be in the outlying parts of an urban area in Thorold or in Ottawa. In other words this principle has been accepted by the very people in public utilities who are objecting to its extension here to eliminate the differential between rural and urban rates.

The principle is a simple one. It is a principle

we have accepted and implemented down through the years. It is a principle which we should implement here. This bill goes 50 per cent towards its implementation. When we get into committee I propose to move on behalf of this party, an amendment that will eliminate the differential totally. It will suggest the price be made uniform across the board as is the case in British Columbia, Quebec, Nova Scotia and Newfoundland.

Mr. McKessock: Mr. Speaker, to make the differential between the rural and urban rates 15 per cent instead of 29 per cent is a help, but I will certainly support the amendment to eliminate it altogether proposed by the previous speaker.

The Ontario Hydro rate structure is dead wrong if it thinks there should be some differential. On the day in April 1980 which the member for Brant-Oxford-Norfolk referred to, when I introduced a resolution to eliminate the differential between rural and urban rates plus other things, the farmers who filled the galleries that day and heard the Premier make the statement committing the government to reduce rural Hydro rates were of the opinion that meant doing away with the differential, not reducing it to 15 per cent.

Mr. Nixon: That is what he meant them to think.

Mr. McKessock: The Liberal Party have been instigators in bringing about change towards reducing the unfair differential between rural and urban rates. It is ridiculous to suggest the party is not united on this issue because the member for Windsor-Sandwich (Mr. Wrye) presented a petition from his constituents to send the bill to committee. What would you do, Mr. Speaker, if your constituents gave you a petition to present to the House? As a member of a democratic system and as a representative of your constituents you would be obligated, if not compelled, to present that petition.

Yes, the farmers were looking for at least equal rates. I am even convinced now that rural rates should be lower, for reasons I will present. When these differential rates were established, hydro lines were coming from Niagara Falls to rural Ontario. Now, with the large nuclear energy generating station at Bruce, lines are running from the country to feed the large city usage. The huge nuclear expansion was not done for the minimal usage of the farm community but for the large urban user.

Hydro tells me the large costs of the nuclear plants and the large costs of the hydro corridor

are capital costs in which everyone participates. They say that distribution is something else and that rural distribution costs more. I say that in recent years capital costs have largely been for urban expansion and that these expensive capital costs in recent years should be attributed more to the urban user. If this were the case it would counteract the extra difference in distribution. In fact I think one would find the rural rates should even be less than the urban.

Mr. Wildman: Mr. Speaker, I rise to participate in this debate because I believe this is really a debate about equity and about—

Mr. Nixon: Justice.

Mr. Wildman: Yes, justice—and also about government keeping the promise.

Unlike the previous speaker, although I would benefit from being a rural resident, I am not certain I would argue that rural residents should necessarily have lower rates than urban residents. But I do believe there is no reason on earth why they should not have equal rates.

That is why I say this relates to keeping the promise, because that is exactly what the Premier said in April 1980. He may have said afterwards he did not really mean it that way, after he was told by Hydro he did not really mean it that way. But what he said the day the member for Grey (Mr. McKessock) had the resolution for debate in the House and there were many residents from rural Ontario in the gallery was that studies were being carried out to implement changes in the rate structure which would eliminate the differential.

Then he ran into a roadblock with a corporation that is supposedly under public control. One really wonders who controls whom over there. Hydro used the argument that since the act requires them to provide electricity at cost to the consumers they should again, as has been said by other speakers, split the consumers into the urban group and the rural group. And they said that since there is a less concentrated population, greater distances and so on, in rural Ontario the costs are greater. Therefore, in their mandate, they should charge those consumers more.

They apparently maintained this argument despite the commitment made by the Premier that he would follow the example of other provinces in this country and eliminate the differential. So we had a situation where the government, for some reason I cannot fathom, was unable to persuade the public corporation to follow government policy as enunciated by

the Premier. It was unable to force Ontario Hydro to follow public policy as determined by the Premier and the cabinet of this province.

4:30 p.m.

After studies were done there did not seem to be much progress and the government then came up last fall with its idea of a \$20 million grant to start to eliminate the differential. Of course the reason for the \$20 million grant was not to bring down rates in rural Ontario. Rather it was to deal with the fact that Ontario Hydro wanted to increase rates and the provincial government provided a grant of public money to a public corporation to try to alleviate the increases that might be experienced by people living in rural Ontario.

It is ludicrous this government should find itself in the position of having to hand \$20 million to a public corporation to persuade it not to increase rates when government policy is that those rates should be lowered.

I suppose this is, in a way, an attempt by the government to have the rural residents of the province share in the cost of distribution of electricity to rural Ontario through a government grant which comes from the revenues of all the taxpayers. It certainly was an attempt, through the back door, to have Ontario Hydro deal with the rural customers in a way the Premier of the province wished. It really was a ridiculous situation.

In parts of this province rural residents are paying between 30 per cent and in some cases, depending on the urban area one is comparing it to, up to 50 per cent more than urban consumers of electricity. In my area, where only one part of my riding is served by Ontario Hydro and where we have a private utility providing the electricity for a good portion of the Algoma district and for Sault Ste. Marie, the differentials may be significantly higher than they are in other parts of the province.

Despite Ontario Hydro's reluctance to comply with government policy, the Tories in last March's election campaign reiterated their promise. They were going to equalize the price. I heard Tory candidates—not only in my riding—saying they were going to equalize the price. In my riding the Tory candidate on occasion was perplexed at having to deal with Great Lakes Power, but at least he talked about the need to equalize the price, as did many other candidates and cabinet ministers.

They reiterated the promise the Premier had made the previous April. What happened after the election? Immediately after the election

many of the opposition members had to endure the Premier on occasion getting up to say he had to tell us what the meaning of March 19 was. In this case the meaning of March 19 was that all previous promises were off. So much for the promise to provide equity in electrical pricing across this province.

Instead of talking about eliminating the differential now, suddenly we are talking about bringing the differential down. This from a government which often claims to represent the interests of rural Ontario better than either of the other two parties. It is really a cynical approach to the voters in rural Ontario.

It is amazing, hearing some of the arguments that were raised in the Ministry of Agriculture and Food estimates where this question was discussed, the responses from the minister and his deputy minister about this matter. They make clear that it was certainly under the jurisdiction of the Ministry of Energy, but they were interested because of the importance of farming to the economy of this province and the tremendously high energy costs farmers have in the production of our food.

At that time, the Deputy Minister of Agriculture and Food said, "The issue should not be how much the owner of an estate lot is paying as compared to the owner of a house in a village, small town or city in Ontario, but how much the farmer is paying for the electricity he needs in comparison with what the small business or manufacturer is paying in the urban area." He made a very good argument, that one is talking about one business in comparison to another business when talking about farming and electricity rates. So instead of talking about rates in general we should be talking about the input cost to the business.

It is true that we have a system in this province where the more electricity is used the less the extra amount of electricity costs. There have been arguments about whether that should be the case and, in an age where we need conservation, perhaps we should be going the other route. But that is the way we have it now. So I suppose one could argue that it is more important in terms of farming to compare the farmer's input costs in terms of the amount of electricity he uses to a comparable business using a comparable amount of electricity.

Having said that, though, nobody has given us those figures. I fail to see how a farmer, whose initial costs for electricity are substantially higher than the urban rate, can compare favourably. I would like to hear if there are any

figures that do show farmers compare favourably now, or even after we go down to the 15 per cent differential, with the input costs of their neighbours in business in the urban area. I would be very interested in that kind of an argument, because I just do not see how it could be made.

I want to raise in the debate on this bill a couple of particular issues in relation to my area since, as I said earlier, we are in an area only a portion of which is served by Ontario Hydro. We are served by a private utility. At the time the Premier made his promise in the House in April 1980 that the prices would be equalized across the province, I went to the Minister of Energy and said, "Does this just relate to the public utilities commissions and to Ontario Hydro or does it talk about all rates for electricity across the province, including the six or so private utilities in existence in the province?" At the time, the Minister of Energy said, "That is a very interesting question." He had not really thought about it and he was going to look into it.

Previously, I had talked to one of the present minister's predecessors about this issue and he had said the studies the ministry was carrying out at that time in 1978 did not relate to the utility companies served by Ontario Hydro specifically, but rather to the principle of power costing and the pricing that would apply anywhere in the province. I am not quite sure what that means. It seemed to mean that although they were not specifically talking about the private utilities in the province they were talking about the principles of power costing, and that would affect all prices.

4:40 p.m.

The present minister, however, was apparently not aware of what his predecessor told me and he said he would look into it. Subsequent to that, I got a letter from a Mr. D. H. Gordon, who was the president of Ontario Hydro at that time. He said, in respect to the question of private utilities and Great Lakes Power, "I can only say that we have been asked by the Minister of Energy to take into account in the proposals the relative rates of all municipal hydroelectric systems and to make recommendations on any action which may be appropriate to assist high-cost municipal hydro systems that have a higher rate than the resultant cost-assisted rural rate." That is interesting wording he uses.

"Strictly speaking, this does not include the customers of Great Lakes Power. Indeed, one might suggest that any subsidy in this regard might take place within the Great Lakes Power

system itself. At this time our thinking has not developed to the extent that I can answer your question, but it is a matter that will be given consideration during the development of our proposals."

I raised this issue again when the committee was considering the estimates of the Ministry of Agriculture and Food. At that time the minister said yes, as far as he understood, whatever was going to be proposed in this bill would affect all of the customers, even the private utilities. I hope that can be confirmed today, because when we are talking about eliminating the differential between rural residents and urban residents whose power comes from Ontario Hydro directly or through public utilities commissions, and we are talking about the fact that this bill does not eliminate the differential completely but suggests that this differential should be at a lower rate but should continue, that is inequitable. It would be most inequitable if you were to say that those areas where Ontario Hydro does not compete with a private utility, where a private utility has a monopoly, that private utility, if it supplies a substantial amount of its own power without purchasing it from Ontario Hydro, should be able to charge a rate higher than what is considered in principle by the government a fair way to price rural electricity.

It has been suggested in this debate that half a loaf is better than none; that it is better to have a 15 per cent differential than a 30 per cent differential. I do not think anybody can debate that. But how can anyone accept a differential at all, especially when other provinces do not treat the situation the same way?

One of the things that was said by the Deputy Minister of Agriculture and Food during those estimates was that you could not compare Ontario to Manitoba, Quebec or Newfoundland, especially Newfoundland, because you were talking about a lot more independent public utilities commissions across this province as compared to the numbers of municipal power systems in the other provinces; there were far more in Ontario, it was far more complex, so you cannot compare them.

I would like to know why it is less complex to bring a differential from 30 per cent to 15 per cent than it is to bring a differential from 30 per cent to zero. Surely the process is a similar one. You are lowering a differential and by doing that the equation surely can still be worked out once you have accepted the principle of bringing down the differential.

The number of public utilities commissions in the province should not make it more difficult to go from 15 to zero than it does to go from 30 to 15.

While I support the position enunciated by other members of the opposition, since it would be unacceptable to vote against a bill that is going to lower the cost of electricity for customers, I say it is most unfortunate that this government does not believe in equity, and that this government is unwilling to live by the promises made by the Premier in April 1980 and is trying to weasel out of the commitment made by the Premier when he was faced by so many farmers—

Hon. Mr. Norton: Are you trying to get a rise out of me by saying all those nasty things?

Mr. Wildman: Are you the Premier?

Hon. Mr. Norton: No, but—

The Acting Speaker (Mr. Cousens): Order.

Mr. Wildman: I suggest that the member for Kingston and the Islands lives in an urban area and does not have to put up with the rates that I and my constituents have to put up with when paying for electricity.

The Acting Speaker: And you do not need to be distracted by the honourable minister either.

Mr. Wildman: I try not to be distracted by the Minister of the Environment even when he is making a statement in this House, but it is most difficult.

All I can say is that bringing this bill before the House for a 15 per cent differential instead of eliminating it, as the Premier said they were going to do in April 1980, is another example of this government welshing on its promises.

Mr. McGuigan: Mr. Speaker, I rise to support this bill, but one is very tempted not to do so because, as speaker after speaker has mentioned, it does not redress the problem as it deserves to be redressed. The previous speaker said the Minister of Agriculture and Food said, "You cannot compare Ontario with the other provinces."

Mr. Wildman: No, his deputy said it.

Mr. McGuigan: His deputy said it. That is so true. One cannot compare Ontario with the other provinces because the other provinces support their agriculture. They have not gone to a total industrial economy. They have not reduced the agricultural budget to less than one per cent, in fact close to one half of one per cent to the agricultural industry—an industry in which less than four per cent of the people

produce 20 per cent or more of the economic activity. One cannot compare Ontario to those other provinces and it is to the shame of this government that we cannot do so.

The Minister of Agriculture and Food asks us what we can do here in Ontario to support agriculture in the federal field. One thing we could do would be to support agriculture so that members of Parliament and back-benchers from other provinces could come forward and support their own government. Why should Ontario step in and carry the burden that Ottawa refuses to carry? The member for Algoma is right when he quotes the deputy minister as saying, "You cannot compare Ontario to the other provinces."

We have here a step in the right direction so I guess as politicians we have to support it, but I can certainly tell members on the left in the third party that this member will support their amendment. It just goes a little way to redress the other inequities rural people face. They get smaller grants for police protection. The evidence is already here that the fastest rising crime rate in Ontario is in rural areas and yet the rural areas get a smaller grant for police protection.

We pay a good deal more for many of the other services we receive and yet we provide cheap food for the people of Ontario. We pay more for the gasoline we receive because it costs more money to distribute it through our system. In many rural areas of Ontario we cannot get natural gas because it costs more money to lay the lines and the company is not willing to equalize the costs. We pay more on a weekly basis for the bread trucks and milk trucks that bring supplies. I know some might think we drink the milk directly from the cows on the farm. A former Premier of this province, in his great wisdom and daring, passed a law that said we cannot drink that milk unless it is pasteurized.

4:50 p.m.

Mr. Nixon: One of the greatest steps forward.

Mr. McGuigan: One of the greatest and most courageous steps forward that was ever made in this province some 40 years ago.

Mr. Nixon: The Tories were against it.

Mr. McGuigan: This bill goes only a small distance but we intend to go that distance.

The member for Algoma (Mr. Wildman) has raised an interesting question. The act repeatedly refers to "municipal residential premises" and only 1,000 kilowatt hours of power con-

sumed per month. Under section 2(d), "rural residential premises" means premises that are supplied, either individually or in conjunction with a farm, with power by the corporation and which the corporations decides are used for residential purposes on a year-round basis.

Would the parliamentary assistant clarify this for us? Is it going to apply only to the farmer's residence? Is it going to apply only when Hydro is supplied on a single line to the house and the barn? What about those cases—and I think this covers a good many of them—where there are separate entries for the house and barn? Is the barn being denied these advantageous rates? I would think the member for Lincoln (Mr. Andrewes), who represents an area where there are a great many cold storages because of the fruit industry, would himself be concerned with that matter. So I would ask for clarification on that.

I think I have covered the points I wanted to cover. I guess we will reluctantly support this bill, although it does not go far enough.

Mr. Andrewes: I have a great feeling about this bill and I am very pleased the members opposite have chosen to support it. The proposed legislation will provide rate assistance to year-round residents in areas of Ontario that are supplied with electricity by Ontario Hydro. I would draw to the attention of the House that there are some 530 of these customers.

There seems to be a great deal of emphasis on the fact that some members of the House feel they have been deceived by the government in this legislation.

Mr. Wildman: Did anyone say that directly? You said it; we didn't.

Mr. Breagh: And we want to agree with you wholeheartedly.

Mr. Andrewes: Misled.

I want to read into the record the statement by the Premier to the Legislature regarding rural electrical rates made on Thursday, April 10, 1980. I will read the first paragraph, because I think it clarifies the point for those members who are showing concern.

"Mr. Speaker, I want to advise the House that I have requested the Minister of Energy (Mr. Welch) to obtain from Ontario Hydro special electricity rate proposals designed to reduce the differential between the retail rate for electricity paid by rural residents and that paid by urban residents." I hope that will clarify some of the concerns of the members opposite.

Included in this legislation are those who live

on farms as well as those who live in the rural residential areas. But to answer some of the concerns expressed by the member for Brant-Oxford-Norfolk I would have to say this: The assistance in this bill is directed towards residential electricity consumption and is not associated with the electricity required for general farm operations. I think that also clarifies the point raised by the member for Kent-Elgin.

It is interesting to note that rural businesses, including many farm operations, pay the same electricity bill as a business with similar consumption in the average municipal utility, if not more.

The rate differential has not developed just recently. Because of a combination of a large geographic supply area and a very low customer density, the costs per customer in the rural system have been significantly higher than in a municipal system; we all agree on that point. As a result the rates charged by the rural system have been higher—

Mr. MacDonald: Unfair.

Mr. Andrewes: —up as high as 30 per cent, as the member for York South (Mr. MacDonald) has pointed out.

Because the comparison proposed in this bill between rural and urban bills is made using what is known as a weighted average of the 324 municipal utilities, it is inevitable that some of the utilities will have bills higher than the 15 per cent above this weighted average. I want to make this point here because it may address some of the concerns expressed to members of the opposition by certain utilities.

The local municipal utility concept has served this province extremely well for the past 75 years, and this government has no intention of eliminating or altering that process. In fact, the government is encouraging the formation of newer expanded municipal utilities where they are economically viable. These differences in rate levels will continue.

The legislation proposed here does not deal with those municipal utilities that may have higher rate levels. But in recognition of the possibility that there may be some utilities whose rate levels will be above the proposed rural assisted rate, the Minister of Energy intends to ask Ontario Hydro and the Ontario Municipal Electric Association to discuss and develop criteria and practices to deal with the applications for assistance from those municipal utilities with bills in excess of the rural assisted rate.

I want to clarify one point that has come up from several members in this debate: why there should be any differential at all. I do not think it is hard to recognize the higher costs involved in serving the rural areas. So the question arises quite naturally, why not eliminate the differential completely?

I will tell the members this: They probably need a little background before they can seriously address that question. Consider this: The distribution of electricity in Ontario has been handled, as members well know, through the municipal utilities for some 75 years even though, given the same supply, facilities and conditions, these utilities pay the same amount for the wholesale power. They pay the same amount to Ontario Hydro for the bulk power for a variety of reasons and decisions made at the local level.

5 p.m.

These rates then are adjusted depending on the method of financing, the method of capital expenditure, the customer mix and the level of service that municipality requires or is requesting. If the rural-urban rates differential were to be eliminated, a large number of utilities—and we have identified them; some 209 out of the 324 utilities or about 65 per cent of them—would have bills higher than the present rural rate.

This government is committed to the continuation of that municipal utility philosophy. To keep the number of utility customers possibly having to pay bills higher than the rural residents to a reasonably small level, and at the same time provide the rural resident with a significant discount off his bill, the 15 per cent level was decided on as being reasonable. Those are my closing comments.

Mr. Wildman: What about Great Lakes Power? You did not answer my question on that.

Mr. Andrewes: With great respect, I think I did indirectly. This bill is quite clear. It deals with Ontario Hydro.

Motion agreed to.

Ordered for committee of the whole House.

House in committee of the whole.

POWER CORPORATION AMENDMENT ACT

Consideration of Bill 141, An Act to amend the Power Corporation Act.

Section 1 agreed to.

On section 2:

The Deputy Chairman: Mr. MacDonald moves that subsections 2 to 4, inclusive, of the new section 90(a) be deleted and the following substituted therefor:

"The corporation shall eliminate the rural rate differential each year for the next following year and the corporation shall fix discounts from the rates to be charged for power consumed each month in rural residential premises in the next following year"; and that the subsections following be renumbered accordingly.

Mr. MacDonald: Mr. Chairman, I will just repeat what we said in second reading. In our view, if we are going to achieve equity, we should eliminate the differential totally rather than only by half. In other words, it should be reduced from 30 per cent to zero rather than from 30 per cent to 15 per cent, because to put it at 15 means consolidating and perpetuating that differential forever out in the rural areas.

I do not accept the rationale that the government has had this forced upon it by Hydro, because there is an alternative rationale; that is, to pool all the costs and come up with a uniform charge across the board for rural as well as for urban, as has been done in British Columbia, Quebec, Nova Scotia and Newfoundland.

What this amendment does is to take subsections 2 to 4 and telescope a portion of subsection 2 and a portion of subsection 3, to say "eliminate" rather than "reduce" the rural differential, and whatever procedure the corporation is going to engage in in terms of rebates will be carried on by reducing them to zero in the same way as the bill envisaged its being carried on when it was going to reduce them to only 15 per cent.

I hope all those members who are in favour of the principle of eliminating differentials rather than perpetuating them will support this amendment.

Mr. J. A. Reed: Mr. Chairman, I rise in support of this amendment, although I wish the amendment were more far-reaching and broader in its statement, because not only do we now have a rural differential but also in some areas we are creating an urban differential. That poses to us some very profound concerns.

While it may be said that the urban differential is minor in scope and does not affect very many communities, if we are really concerned with the process of heading towards equalization or what one might call flat rate for residents and farmers and so on in Ontario, then we have to take that into account.

While this amendment makes the statement about eliminating the rural rate differential, it does nothing to acknowledge the fact that, if an urban differential does not exist at the present time—and it does now in some areas—it will be accelerated or accentuated by this move. That is the very reason why we are anxious to move this, I hope with the support of the NDP, into standing committee—

Mr. MacDonald: You couldn't get your own party. You have 34 members, and you needed 20. Don't blame us.

Mr. J. A. Reed: All right. But you were not too enthusiastic either.

Mr. MacDonald: Don't blame us. The trouble is, you do not have the guts to stand up for the principle you are professing.

Mr. Nixon: That is one thing we have plenty of.

5:10 p.m.

Mr. J. A. Reed: I hope that statement did not have personal intent. We are concerned that what has to be worked towards here is not simply a token handout by the government about some partial elimination of this rate differential, but rather a recognition that the rural differential is still there—the one we call the rural differential. This other differential exists and now is increased or amplified by this kind of move. There are even farmers now in the restructured Hydro areas who are paying higher than rural rates at present.

We should recognize that there is still a great disparity which has to be resolved and, in rising to support this amendment, we want to go on record as saying the story does not begin and end either with this bill or with this amendment. Our belief is that a flat rate should be arrived at and worked towards. We want it, and we still want to investigate and examine the ways that can be satisfactorily accomplished.

Mr. Riddell: Mr. Chairman, I just want to state that the amendment is very much in line with the government's policy as enunciated by the Treasurer (Mr. F. S. Miller) in his budget statement of November 13, 1980, when he definitely stated the government had decided to instruct Ontario Hydro to eliminate the undue differential between rural and urban electrical rates by 1982.

A little over a week later, the Minister of Energy (Mr. Welch) tabled in the Legislature a report from Ontario Hydro on proposals to reduce the differential between rural and urban retail rates. Ontario Hydro recommended that

the differential be reduced to 15 per cent rather than eliminated. Of course, that poses the question: Who in hell is running the show? Is it this government or is it Ontario Hydro?

Inasmuch as the parliamentary assistant can stand on his feet and say the Premier (Mr. Davis) said he was going to reduce it rather than eliminate it, it is time the parliamentary assistant realized the difference between a political statement made by the Premier, who probably does not know what is going on within Ontario Hydro, and the policy of the government as enunciated by the Treasurer, who one hopes does know something about what is going on within this government.

I did not want the member for Lincoln (Mr. Andrewes), who is parliamentary assistant to the Minister of Energy, to have the last say by standing up and giving a political statement that was made by the Premier. Surely the statements we should go by are the policy statements made by the Treasurer of this province.

Mr. McGuigan: Mr. Chairman, I rise with a great deal of pleasure to support the amendment, not only the principle that it speaks to but also on this business of the first 1,000 kilowatt-hours.

We have the Minister of Energy making speeches around this province telling us how a little way down the road, when oil and gas prices escalate, hydro heating will be the cheaper alternative, and perhaps the only alternative, for those rural people who are not on gas lines.

I cannot say just where the cutoff point is, but I will hazard a guess that, when we go to hydro heating, 1,000 kilowatt-hours of power per month is not enough to cover hydro heating. I do not have a copy of the amendment in front of me but, as I heard it, I believe it eliminates this cap. On those two counts I wish to support my friend the member for York South.

Mr. MacDonald: Mr. Chairman, may I just make one brief comment? As I understood the parliamentary assistant when he was concluding his remarks—and I do not think the member for Halton-Burlington (Mr. J. A. Reed) was listening at that point—he said there are inequities remaining within the public utilities system such that there are farmers who now pay more, although they happen to live in a public utility system, than farmers outside at the 15 per cent level, and perhaps even more farmers if it went down to a zero level. He said he was going to meet with the Ontario Municipal Electric Association to see what can be done about that inequity.

Let me say to the member for Halton-Burlington that if this kind of inequity exists, and if it is going to continue, it is for a smaller number of rural people—farmers. I agree that we should take a look at it and see how it can be reduced. But let us not fudge the issue with that smaller group who are going to bear the inequity as we seek now to remove the inequity in this larger way between rural and urban. That is why I think the amendment is worthy of support from all sides of the House and particularly from those on the government side, like my honourable friend from the rural area of Elgin (Mr. McNeil).

Mr. Riddell: And some of the back-bench farmers over there too. Let us see what they are going to do on this.

Mr. MacDonald: Some back-benchers sit in the front bench, and I was just pleading for their support.

Mr. Nixon: Mr. Chairman, I was quite interested in what the member for York South said. He makes a good point when he more or less asserts that his amendment does not cure all the ailments the rate structure has. Perhaps it is beyond the competence of this bill to do so. But it should not be beyond the competence of the Legislature itself.

I sense in the member for York South something that I do not often find in him: the feeling that we have to throw up our hands and work for something considerably less than perfection.

The parliamentary assistant has even indicated that the 15 per cent leeway is simply to provide sufficient cushion for the urban areas that are going to go above the rural areas; and this, of course, is not fair either. If only we had the ability—and I assert, Mr. Chairman, that we have the power to establish a flat rate across the province—then, of course, that ought to be the aim. But I do not believe we ought to accept the concept that simply because a person lives in a rural area, then—I think the phrase the Attorney General uses is “*ipso facto*”—they pay more for their electric energy. I think we are rejecting that concept once and for all.

The parliamentary assistant, who is a farmer himself, realizes that a good deal of the cost of farm installations has to be carried 100 per cent by the farmer himself. I happen to have a very long lane on my property. We just had to replace the line; it cost me something like \$2,400, which, as a matter of fact, I was very

surprised to be billed for. That is certainly an indication that under special circumstances the farmers carry first dollar costs for the service.

The member for Port Arthur (Mr. Foulds) indicated that some farmers in his area do not have electric power at all, because Ontario Hydro, according to him, has been so unbending on that basis that the direct and individual cost to the would-be rural consumers is so high that they simply do not have the electric service. I think that is just preposterous. There is no doubt that, over the many years since the lines went up and down the concessions, farmers have paid, because of the increased rates, many times over for the cost of the basic service. That argument ought to be discharged forever.

The only difficulty that is almost insurmountable is the role of the power commissions at the municipal level. They feel, with some justification, that they in fact are Hydro; that the local public utilities commissions were in operation before Hydro was established as a crown corporation—or as a commission, as it then was—and that they have the ownership concept, which enables them to act independently. I cannot do anything but support them in that.

In many instances they have been so good at their management that they have provided rates much more than 15 per cent below the rural rates. I know of many communities in my own area where the rural rates are a full 30 to 40 per cent higher than the urban areas in some of the smaller communities that have provided their own power for many years.

5:20 p.m.

In our own village of St. George, the rates are so low I have seriously considered getting a very long extension cord and plugging it into my mother's outside light and running it down to the farm. I have been told that would not be proper, and I know Ontario Hydro jealously guards access to its own customers. They feel their customer base has been so eroded that they are left more and more with only the customers who require additional costs, in the way they assess costs, to continue to service.

They feel, therefore, that the costs relating to their direct customers show a decreasing efficiency on the part of Hydro. It should be our aim not to solve the problem with this large and expensive 15 per cent cushion but to establish a procedure whereby all domestic consumers of electricity in Ontario get electricity at the same cost.

I believe the rate has to be restructured for a number of things, such as the lifeline concept

that has already been referred to, the first 1,000 kilowatt-hours or whatever, and reduced costs for any industry, particularly the farm industry, where large amounts of power can be used in the off-peak period for certain processes involved in, for example, cooling milk, making ice and things like that which are characteristic of a requirement at the farm gate.

I certainly intend to support the amendment, but I think we should understand, and the member for York South has said as much, that it does leave inequities which really we should not be leaving.

If the minister is indicating, as he has, that he is going to try to deal almost on an individual case with the local public utilities commissions, I have a feeling he is not going to be very successful. The local PUCs do not like this bill very much, because it is going to mean an increase in their rates, relatively small compared to the advantages in justice, equity and fairness that is going to be the lot of the farmers. It still leaves that 15 per cent differential, which is a rather gross and untidy way of solving a problem that still besets Ontario Hydro and therefore besets us.

They are very conservative in their approach to the solution of these problems. They tend to go on as they have in the past with the attitude of "Who is to stop us?" We are the people who are designated with the responsibility to improve the situation, and I say neither the bill itself nor the amendment is as good as it could be and is not as good as it should be.

Mr. MacDonald: Mr. Chairman, I want to respond briefly, if I may, to what the member for Brant-Oxford-Norfolk has said.

There are continuing inequities, I agree, but those continuing inequities flow from the bizarre rate structure in Hydro, and what the Liberal Party was attempting to do in sending this to a standing committee and having the Ontario Municipal Electric Association and other people come in was to tackle that problem.

Mr. Nixon: Whoever can come in.

Mr. MacDonald: Okay. But let me remind you, Mr. Chairman, and let me remind the House, that Hydro had a two-year in-house study on its rate structure. They reported it to the government, the government referred it to the Ontario Energy Board and the Ontario Energy Board wrestled with it for two more years. Do you think a standing committee of this Legislature can start to hold hearings now for everybody, including the farmers, and resolve that incredibly complex problem?

Mr. Nixon: We want to resolve it. They didn't want to. They were stuck with the old pattern, and they think there is nothing but that.

Mr. MacDonald: I agree it should be resolved; and if Hydro is not going to resolve it and the government is not going to force Hydro to resolve it, just because we have a standing committee of the Legislature review it for another two or three weeks is not going to change the picture. If something has been reviewed for two years by Hydro and for two years by the Ontario Energy Board, it is a phoney proposition to send it out to a standing committee to rehash it a bit more.

Having said all that, let me go back. I am willing to agree with the member for Brant-Oxford-Norfolk that there are continuing inequities. The continuing inequities flow from the bizarre rate structure and the inequities that are in that rate structure; and when Hydro, the government and everybody else are willing to come to grips with them, then we can get at the residue of inequity that remains in this bill, but only when that is done.

Mr. Wildman: Mr. Chairman, I rise to urge the government and the parliamentary assistant to accept the amendment. Quite honestly, I do accept the arguments that have been made that, even with the amendment, there will remain some inequities.

The point is, the inequities that will remain are not nearly as serious as the decision by this government to perpetuate a differential in the amount of 15 per cent. I urge the government to accept the amendment as a friendly amendment, which is in line with the principle of the legislation and which deals with the reduction of the differential to the ends that I think all rural residents certainly and all representatives of rural areas in this House believe is necessary. It is not in opposition to what the government has said on many occasions it wishes to do. It is in line with the principle of the bill. There is no question that the rate structure of Ontario Hydro is a matter that has to be dealt with and one that is very complex.

Neither this bill nor the amendment deals with the overall changes that are necessary in Ontario Hydro's rate structure. I would suggest that any proposal for an amendment that would deal with that complex matter probably would have been out of order because of the way this bill is set up, just as any amendment that I might desire, to eliminate the inequity which this government apparently is unwilling or unable to deal with in terms of private utilities, probably would be out of order.

I hope all members of the House, including members of the government party, will accept this amendment as being in line with the principle of the bill, which does what the rural people of this province wish to be done, which will provide a much fairer system and which will do what the Treasurer and the Premier—

Mr. MacDonald: The Treasurer anyway.

Mr. Wildman:—certainly the Treasurer—and what most people understood the Premier to mean when he made the statements he did make.

I hope it will be supported by those members, especially the member for Prince Edward-Lennox (Mr. J. A. Taylor)—oh, I notice he has just gone—a former Minister of Energy himself who, after he left the cabinet, carried on a crusade in eastern Ontario against the differential. He was one of the first Tories to come out publicly fighting against the differential. He is also one of the few Tories I know who has actually suggested that Ontario Hydro should be brought under public control, that Ontario Hydro should implement the policies proposed by the government and should not throw roadblocks in the way of the public policymakers. It is unfortunate that member is unable or unwilling to speak in this debate, but I am sure he will support this amendment—

Mr. Mancini: He was mugged in the corridors of power.

Mr. Wildman: That's right; that was the term he used: "Mugged in the corridors of power." I do not want to dredge up those problems for the member for Prince Edward-Lennox, because I genuinely want this bill to do what the government said it wanted to do. For that reason, I hope we will pass this amendment and pass it unanimously.

Mr. Swart: Mr. Chairman, I endorse what has been said by the member for York South (Mr. MacDonald) and the member for Algoma (Mr. Wildman).

I sat in this House and heard what I thought were commitments given by the Premier and the Minister of Energy that there would be equality in rates between the rural and the urban areas of this province. Now we come along and find that they are only going to go halfway. As I have listened to the government spokesman, I say this is a breaking of faith with what was said in this House and with the commitments that were given to the rural people of this province.

5:30 p.m.

The principle of the amendment has been talked to both in the second reading of the bill and now. There should be this equality. It is something to which we in this party certainly subscribe, and I think every member of this House, including the Conservative members, deep down inside subscribes to it.

I rose to make one point which, to the best of my knowledge, has not been made to this time. It deals with the restructuring of hydro in the municipalities, particularly as it pertains to the Niagara Peninsula.

I remember those debates in this House in which I took part. I suggested at that time, because we had one rate for rural areas and one for urban areas, that the municipalities which were enlarged, such as Thorold, Niagara-on-the-Lake, Welland and all those municipalities in the Niagara Peninsula—and not just those municipalities in the Niagara Peninsula but also municipalities in York, Peel and various other areas where restructuring took place—should be able to extend their urban boundaries to take in urban areas that had been built up, such as the village of Fonthill, which the member represented—I use that as an example—rather than take in the whole municipality of Pelham.

The municipality could not have afforded to buy that out. Their rate would have been higher than it was even under the rural area. They should have been able to expand around the urban section and take that in.

We even moved an amendment in that regard, but the government said, "No, we cannot do that." The municipality had the responsibility to the urban section to carry the weight for the rural section. I suggest to the parliamentary assistant that he look back and read the debates that took place at that time.

Thorold had to extend its boundaries to take in all the rural area because of the principle put forward by the government that there should be equality within that municipality. They either had to stay where they were with that very minor urban area, an illogical urban area, or they had to take in the whole municipality. It was government policy that they were their brother's keeper. They were supposed to bear the burden of the rural area where, admittedly, it is much more costly to supply the service.

Now we have the government coming along with this bill and doing a complete reversal on the principle that they insisted the municipalities apply, saying, "We are going to perpetuate a system where there is an inequality between the rural and urban areas." When he gets up to reply

to this, I hope the parliamentary assistant will make some comment about that and explain how the government can be so inconsistent.

After taking one policy for two, three, four or five years, they come around now when they have the authority to implement what they told the municipalities to do and they are not going to do it. I suggest to the parliamentary assistant that in itself, apart from the principles, should cause some members on his side who have gone through this procedure in their own regions perhaps to reconsider and to support the sensible and reasonable amendment that has been put forward by the member for York South.

Mr. Andrewes: Mr. Chairman, the member for Welland-Thorold speaks very compassionately about municipal utilities, and I am sure in his remarks he is indicating his substantial support for that principle. I have to go through what I said before, that in proposing and supporting this amendment, what the member is doing is threatening the fabric of that municipal utility structure. Some 209 of these utilities would have bills higher than the rural rate. I made those remarks earlier and I will not make them again. I just ask how we are going to retain that kind of rapport with those utilities that have served the Hydro system in this province for 75 years. How do we retain the kind of rapport that is necessary to make this thing work in supporting an amendment like this to the bill? We cannot support it, Mr. Chairman.

Mr. Deputy Chairman: Does any other member wish to participate in the debate on the amendment before the House? Are you ready for the question?

Those in favour of Mr. MacDonald's amendment to section 2 will please say "aye."

Those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Section 2 agreed to.

Sections 3 and 4 agreed to.

METROPOLITAN POLICE FORCE COMPLAINTS PROJECT ACT (continued)

Resuming consideration of Bill 68, An Act for the establishment and conduct of a Project in the Municipality of Metropolitan Toronto to improve methods of processing Complaints by members of the Public against Police Officers on the Metropolitan Police Force.

On section 5:

Mr. Chairman (Mr. Cureatz): On the last day on the bill an amendment was placed by Mr. Elston concerning section 5, and we are dealing with that section. Is there any further discussion of the amendment?

Mr. Wrye: Mr. Chairman, I had just begun my remarks the other night regarding what is really the crucial amendment to this piece of legislation for it will, it seems to me, ultimately determine whether the legislation has any real chance of working. I had reached that stage in my remarks where I was commenting on the appointment of Sidney Linden as public complaints commissioner. I was noting that the appointment of Mr. Linden is probably the only thing that has made this legislation palatable, because he is a gentleman of outstanding background. He is a gentleman whose background and career lend themselves to the position he has assumed. His appointment will do quite a bit to lend the legislation some authenticity in the eyes of that group who will be most depending upon it.

But it seems to me that, as good as the appointment of Mr. Linden is, it cannot overcome the real problem in Bill 68, and that is the public mistrust of the police investigating themselves. Let it be very clear that the public deeply mistrusts the system as it is proposed. Group after group came before the committee to tell us in very eloquent terms of their distrust. The old slogan was said over and over again by these various groups during our committee deliberations, "For justice to be done it must be seen to be done." Nowhere was this more true than in this case. That seems to be the substance of the problem. Justice must be seen to be done by all concerned.

5:40 p.m.

Let me raise for members of the House one of the problems we will have if we do not accept this amendment. The fact that justice must be seen to be done is important for the policemen as well. A policeman falsely accused by a citizen could end up having his reputation forever scarred despite his innocence, all due to mistrust because the police conducted the initial investigation.

Yet, if an independent group were to conduct the initial investigation and were to say the complaint was without substance, the complaint was unwarranted and the policeman was innocent, it would carry greater weight. It seems to me there is a much larger chance the comments made by a team of investigators

appointed by and under the direction of the public complaints commissioner would carry much greater weight than the comments of police investigators acting under the auspices of the chief of police.

The bill fails in that it has failed to gain any support whatsoever from the so-called visible minorities. Those are the groups the Solicitor General (Mr. McMurtry) commented on early in the discussions. Not one organization from the so-called visible minorities came before our committee in three weeks of hearings in support of the legislation. The lack of support from the visible minorities was publicized in the general press over and over again. Yet not one group came forward to say it supported the legislation as it is now proposed.

We even asked those members of the visible minorities who did come forward if they knew anyone who supported it. They said, "No." Yet the Solicitor General could suggest to the various groups who came forward what he suggested to Daniel Hill on the first Wednesday morning when the city of Toronto came and supported an independent investigation. He said: "Dr. Hill, you are obviously a gentleman who I have the highest regard for, as you know, and one who I am very happy to seek advice from on any occasion. But I would like to make the observation, with the greatest respect, that in my experience of working with visible minorities, and having spoken to a large number of people who might be generally regarded as members of visible minorities, the great majority appear not to be active in any particular association that gets involved in these issues."

What the Solicitor General was trying to say was that the views of the groups who came before us did not represent the population they allegedly served. In spite of that and in spite of our repeated request that this so-called silent majority come forward, they failed to come forth. They remained silent throughout. This leads us to wonder whether the silent majority, or at least the alleged silent majority, really exists at all, or whether groups such as the National Black Coalition of Canada Inc. and many others did represent the majority. The preponderance of the evidence would lead one to suspect they do because there is no evidence to the contrary. Not one group came forward.

I would like to speak briefly about some of the other methods the government used to defend this legislation, because I think it is crucial that we look at the proposals the government made and the reasoning behind them.

We heard a great deal about the reports prepared by Arthur Maloney, Mr. Justice Morand and others and the report this year of the McDonald commission. I am drawn first of all to the report of Mr. Maloney. I remind the House of a time in the history of the Toronto back in May 1975, six and one half years ago, when the climate was very different from what it is today. In his report, admittedly, Mr. Maloney came to the conclusion after investigating a variety of options that the police should conduct the initial investigation. He indicated he had come to this conclusion because there was not the mistrust in the community to warrant either a co-investigation or an independent investigation such as is proposed in this amendment.

I just want to read one sentence from that report, on page 211. He said, "I do not feel that this is a mistrust which at the present time is justified or deserved in Toronto."

The key words, I think, are "at the present time," because they really speak of the atmosphere, the mood, in Metropolitan Toronto in 1975, six and one half years ago. Yet much has changed in the period that has followed.

I should just like to mention the final report of Mr. Justice Donald Morand in June 1976, because the government has made much of the fact that Mr. Justice Morand has in effect endorsed Mr. Maloney's comments. It is not surprising he should do so exactly one year after the Maloney report came out—that he would not really take time in his overall investigation to conduct anew the kind of investigation of this problem that Mr. Maloney conducted.

He says on page 186, "I gave particular attention to the report of Mr. Maloney. It is the product of considerable research and thought, and his recommendations are specifically tailored to the problems peculiar to the Metropolitan Toronto Police." In other words he did not really conduct his own investigation; he simply depended on the investigation of Mr. Maloney one year earlier. So he reached what was for him at the time a very logical conclusion. But to suggest that Mr. Maloney and Mr. Justice Morand conducted their own independent, extensive investigations is simply wrong on the facts.

The third instance that was used by the government to justify the method it has chosen was the report this year of the McDonald royal commission. I think it is well we should take a look at the commission, mainly because its final recommendations are so recent. I should point out at the outset and repeat, as several witnesses

stated and as members of our party and the NDP stated during the committee hearings, that the McDonald commission itself used independent investigators. They were from other police forces, but the point is that the investigators were gathered from outside the Royal Canadian Mounted Police. Indeed, as I understand it one of them was a senior investigator from the Ontario Provincial Police.

As the minister pointed out in his opening remarks, there is no doubt McDonald came down in support of the Royal Canadian Mounted Police, in their instance as a force in a very different circumstance than Metropolitan Toronto, in conducting the initial investigation.

5:50 p.m.

It seems to me what has been missed in this is a couple of the key comments that Mr. McDonald made later on, which were really pulling back from the statement he made. He said the commission itself had two concerns which led it to advise that the office of the inspector of police practices, or their public complaints commissioner, investigate allegations of misconduct.

He said, and I quote from pages 977 and 978: "Our first concern is the need for public confidence in the resolution of allegations of police misconduct. Sometimes, in controversial or very serious cases, the notion of the police investigating themselves may not provide the public with the assurance it needs that a completely thorough and impartial investigation has been conducted."

That proposal really suggests there are some serious instances where the police ought not to conduct the initial investigation. I might remind the minister and House that the bill, as it is amended now and from my reading as it is proposed to be amended later on, still does not allow for the initial investigation to be conducted by the Public Complaints Commissioner.

I want to read the second concern because I think it really comes to the heart of the problem we have in Metropolitan Toronto. Again quoting from the commission's final report: "Our second concern is that in some situations where there is tension or distrust between the RCMP and the community they serve, complainants or witnesses may not lend their complete co-operation to the investigators. Without such co-operation, the quality of the investigation will be poor and consequently the complaint will not be satisfactorily resolved."

It seems to me that is a situation we have with

a great number of the complaints in Metropolitan Toronto. I am not sure if this is the largest city in Canada. I am not sure whether Metro Toronto is ahead of Montreal, but it is certainly the largest English-speaking city in Canada and one of the larger English-speaking cities in North America.

In growing and enriching itself it has acquired many of the problems of other urban centres, problems which are far from those faced by the RCMP, problems with the very groups who feel so left out of this legislation, the so-called visible minorities, the poor and other ethnic groups. I think that in taking a look at the exceptions proposed by Mr. McDonald we find that when one comes to Metropolitan Toronto those are not really exceptions. Those are rather the norm. Those are likely to be the rule.

Consequently if McDonald has proposed an independent investigation of what is for the RCMP an exception, it seems to me it follows that the independent investigation should be carried out here in Metropolitan Toronto where the RCMP exception is the rule of the day.

I want to put briefly on the record, just as an example, some of the comments of the National Black Coalition of Canada when it appeared before us. This is a very responsible, moderate group of black community leaders and some of their comments bear repeating because they raise for the consideration of the House some of the problems that the visible minorities and the groups who appeared before us are having in supporting this legislation in any way.

I would just like briefly to read from the comments of Sylvester Anthony, the national vice-president of the coalition. He says it has never been their intention "to question the integrity of those persons charged with the responsibility of supervising the department or... those who sit on the board of police commissioners. The point, however, is: How can we reasonably expect the people who have been put in charge of the police force—and by that I refer to what we call the upper- and middle-management levels up to and including the police chief and board of police commissioners—to investigate allegations of misconduct against police officers without appearing to be biased? Therein lies the fundamental conflict: The chief of police, the police commission, the police supervisors and the rest are all ultimately responsible for the conduct of the officers being investigated."

So they go on. The coalition says if we leave the initial investigation in the hands of the

police the ultimate problem will be that the very people this legislation is designed to aid will not come forward and will not bring their complaints and problems to the attention either of the authorities or ultimately, I would suggest, of the public complaints commissioner.

Finally I would like to put briefly on the record a couple of the comments made by Mr. Alan Borovoy of the Canadian Civil Liberties Association and remarks in the association's excellent presentation before our committee. It seems to me Mr. Borovoy raised many of the problems I feel will really linger on and may well damn this piece of legislation to failure if it is not changed. He said, and I quote:

"In our view, what it all comes down to is that a system essentially of internal investigation, even if monitored by external review, cannot adequately address the problem which has occasioned the impulse for reform, namely, the perception of bias. No matter how fair an internal investigation may be in fact, it is not likely to appear fair. From the standpoint of many members of the public, the investigating officers would continue to be vulnerable to the suspicion that they were covering up for their colleagues or fellow police officers."

That is really the problem in a nutshell. What has occasioned the beginnings of this pilot project for Metropolitan Toronto—a project I hope will later spread and be placed in other communities such as Windsor—is the problems that surround the issue of perceived bias of the police in dealing with citizen complaints. It seems to me we are not addressing those problems by allowing the police to continue to conduct the initial investigation.

To return to the comments I made at the

outset, I think it is fair to ask if the legislation does indeed have its foundation, as the Solicitor General suggested, on co-operation rather than confrontation. I believe the evidence indicates it does not. The evidence indicates the decision of the Solicitor General and the government to ignore the nearly unanimous views of those most likely to be involved in the procedure—the poor, the ethnic minorities and those from the visible minorities—dooms the legislation to continue the period of confrontation that has been growing in recent years. I remind the Solicitor General that if he expects co-operation it will be difficult because most groups appearing before our committee said flatly they will not co-operate with this legislation.

To conclude before the clock reaches six o'clock, I hope particularly the members from Metropolitan Toronto will vote to support the views of their constituents, those most affected by this legislation. They have stated very clearly they wish to have a process that is independent from the police from the very moment the investigation commences.

Mr. Chairman: The member for Brant-Oxford-Norfolk. Are you rising on a point of—

Mr. Nixon: No, I want to speak.

Mr. Chairman: First I will recognize the member for Nickel Belt.

Mr. Laughren: Is it appropriate to move that the committee rise and report?

Mr. Chairman: No, I believe I should leave the chair and we will resume at eight. That is my understanding.

The House recessed at 6 p.m.

CONTENTS

Tuesday, October 27, 1981

Statements by the ministry

Bernier, Hon. L., Minister of Northern Affairs:

norOntair anniversary 2870

Birch, Hon. M., Provincial Secretary for Social Development:

Advisory Council on Senior Citizens 2871

Oral questions

Ashe, Hon. G. L., Minister of Revenue:

Gains payments, Mr. Cassidy, Mr. Peterson, Mr. McClellan. 2875

Drea, Hon. F., Minister of Community and Social Services:

Gains payments, Mr. Cassidy, Mr. Peterson, Mr. McClellan. 2875

Elgie, Hon. R. G., Minister of Labour:

Falconbridge dispute, Mr. Martel. 2882

Grossman, Hon. L. S., Minister of Industry and Tourism:

Automobile industry, Mr. Cooke, Mr. Ruprecht. 2879

Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics:

Economic policy, Mr. Smith, Mr. Cassidy. 2871

Ontario energy investment, Mr. Peterson, Mr. Foulds, Mr. Sargent. 2877

Norton, Hon. K. C., Minister of the Environment:

Ridge landfill site: liquid waste disposal, Mr. Smith. 2873

Stephenson, Hon. B. M., Minister of Education and Minister of Colleges and Universities:

University funding, Mr. Wrye. 2881

Walker, Hon. G. W., Minister of Consumer and Commercial Relations and Provincial Secretary for Justice:

Rent control, Mr. Cassidy, Mr. Smith. 2874

Welch, Hon. R. S., Minister of Energy:

Use of peat, Mr. J. A. Reed. 2883

Petitions

Civil Service Commission, Mr. Nixon, tabled. 2883

Ministry of Energy, Mr. J. A. Reed, tabled. 2883

Ontario Energy Corporation, Mr. J. A. Reed, tabled. 2883

Ministry of Agriculture and Food, Mr. Riddell, tabled. 2883

Ministry of Housing, Mr. Epp, tabled. 2884

Commission on Election Contributions and Expenses, Mr. Conway, tabled. 2884

Urea formaldehyde foam insulation, Mr. Van Horne, tabled. 2884

Rural electricity rates, Mr. Wrye, tabled. 2884

Motion

Select committee on pensions, Mr. Wells, agreed to. 2884

First readings

City of Toronto Act , Bill Pr18, Ms. Fish, agreed to.	2884
Assessment Amendment Act , Bill 154, Mr. Di Santo, agreed to.	2884
Family Benefits Amendment Act , Bill 155, Mr. Martel, agreed to.	2884

Second readings

Power Corporation Amendment Act , Bill 141, Mr. Welch, agreed to.	2885
--	------

Committee of the whole House

Power Corporation Amendment Act , Bill 141, Mr. Welch, recessed.	2898
Metropolitan Police Force Complaints Project Act , Bill 68, Mr. McMurtry, recessed.	2903

Other business

Access to Legislative Building , Mr. Philip, Mr. Nixon.	2869
Tug of war contest , Mr. Robinson, Ms. Copps.	2869
Employee health and safety , Mr. Martel, Mr. Laughren.	2884
Fourteenth anniversary of 1967 election , Mr. Ruston.	2885
Recess	2906

SPEAKERS IN THIS ISSUE

Andrewes, P. W. (Lincoln PC)
 Ashe, Hon. G. L.; Minister of Revenue (Durham West PC)
 Bernier, Hon. L.; Minister of Northern Affairs (Kenora PC)
 Birch, Hon. M.; Provincial Secretary for Social Development (Scarborough East PC)
 Breagh, M. J. (Oshawa NDP)
 Breithaupt, J. R. (Kitchener L)
 Cassidy, M. (Ottawa Centre NDP)
 Conway, S. G. (Renfrew North L)
 Cooke, D. S. (Windsor-Riverside NDP)
 Cureatz, S. L.; Deputy Speaker and Chairman (Durham East PC)
 Davis, Hon. W. G.; Premier (Brampton PC)
 Drea, Hon. F.; Minister of Community and Social Services (Scarborough Centre PC)
 Elgie, Hon. R. G.; Minister of Labour (York East PC)
 Epp, H. A. (Waterloo North L)
 Foulds, J. F. (Port Arthur NDP)
 Gillies, P. A. (Brantford PC)
 Grossman, Hon. L. S.; Minister of Industry and Tourism (St. Andrew-St. Patrick PC)
 Jones, T. (Mississauga North PC)
 MacDonald, D. C. (York South NDP)
 Mancini, R. (Essex South L)
 Martel, E. W. (Sudbury East NDP)
 McClellan, R. A. (Bellwoods NDP)
 McGuigan, J. F. (Kent-Elgin L)
 McKessock, R. (Grey L)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 Norton, Hon. K. C.; Minister of the Environment (Kingston and the Islands PC)
 O'Neil, H. P. (Quinte L)
 Peterson, D. R. (London Centre L)

Philip, E. T. (Etobicoke NDP)
Pope, Hon. A. W.; Minister of Natural Resources (Cochrane South PC)
Reed, J. A. (Halton-Burlington L)
Riddell, J. K. (Huron-Middlesex L)
Robinson, A. M. (Scarborough-Ellesmere PC)
Roy, A. J. (Ottawa East L)
Ruprecht, T. (Parkdale L)
Ruston, R. F. (Essex North L)
Sargent, E. C. (Grey-Bruce L)
Smith, S. L. (Hamilton West L)
Stephenson, Hon. B. M.; Minister of Education and Minister of Colleges and Universities
(York Mills PC)
Sweeney, J. (Kitchener-Wilmot L)
Turner, Hon. J. M.; Speaker (Peterborough PC)
Van Horne, R. G. (London North L)
Walker, Hon. G. W.; Minister of Consumer and Commercial Relations and Provincial Secretary
for Justice (London South PC)
Wildman, B. (Algoma NDP)
Williams, J. R. (Oriole PC)
Wrye, W. M. (Windsor-Sandwich L)



Ontario, LEGISLATIVE ASSEMBLY

No. 81

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Tuesday, October 27, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Tuesday, October 27, 1981

The House resumed at 8 p.m.

House in committee of the whole.

METROPOLITAN POLICE FORCE COMPLAINTS PROJECT ACT (continued)

Resuming consideration of Bill 68, An Act for the establishment and conduct of a Project in the Municipality of Metropolitan Toronto to improve methods of processing Complaints by members of the Public against Police Officers on the Metropolitan Police Force.

On section 5:

The Deputy Chairman: I call the committee to order. The member for Nickel Belt.

Mr. Laughren: Mr. Chairman, I wish to speak to the New Democratic Party amendment which would make an independent investigation of these complaints a necessity right from the beginning. The New Democrats during the committee hearings tried to make the case over and over again, along with those who appeared before the committee, that it was absolutely essential to do that.

I am both pleased and surprised to see the Solicitor General (Mr. McMurtry) here this evening, because during the committee hearings he did not come when there was going to be any opposition to the position he had taken on the bill. Knowing the opposition here this evening would be speaking about the lack of a completely independent review from the beginning, I thought the Solicitor General might not show up. However, he did, and we are pleased he is here to hear our representations.

I am waiting also for all the Conservative Toronto members to get up and speak on this bill, because it is of critical importance. I know that the member for Scarborough-Ellesmere (Mr. Robinson) and the member for St. George (Ms. Fish), just to name two who are here, as well as the Tory whip, the member for Mississauga East (Mr. Gregory), will certainly want to address themselves to this particular amendment. I assume those members will take part in the debate.

I must say that during the debate on the bill, the Conservative back-benchers who are on the

standing committee on resources development listened carefully to the representations when they were made, and they listened carefully to the Liberals and the New Democrats who were pleading the case there had to be an independent review. If they had been left to their own devices, I think they would have come around and supported some progressive amendments to this bill.

But it was obvious from the beginning that what I would call a high-level fix was in. The high-level fix was in from the Solicitor General and the Deputy Solicitor General, and that put the Conservative back-benchers in a very difficult position. One could see it rankled them all during the debate. The Conservative back-benchers voted against amendment after amendment—reasonable amendment after reasonable amendment, I might say. Then it came to the very last amendment, which called for a review of the whole process before it was sunsetted in three years.

Just at the end, one could see that all the resentment that had built up in the Conservative back-benchers against this high-level fix just exploded. They supported the opposition amendment in the last section of the bill which required a review before a standing committee of the Legislature before it was all sunsetted.

It was very refreshing, I must say, to see the Conservative back-benchers who said, "Oh, I expect high-level fixes in this business, but there comes a point where I think I also have a right to speak out as a Conservative back-bencher." And that is exactly what happened on that committee.

Now, of course, the plot thickens. The Solicitor General has moved an amendment to wipe out the amendment that the Conservative back-benchers had agreed to during the committee. We can deal with that when we get to that section of the bill, because I know the Chairman would not want me to discuss it at this point. I can see his eyes getting a little glazed right now.

This NDP amendment is the key to making the bill work. The New Democrats moved this amendment to make sure the bill would work when it became a fact of life out there in the community; that is why we feel so strongly about it.

When I look at it, I ask myself: "Who is opposed to this amendment? Who was opposed to having an independent review of complaints against the police from the very first moment?" I start at the top and I work down. Do you know what you get? One finds that the Solicitor General at the top is opposed to it. The chairman of Metropolitan Toronto, Paul Godfrey, is opposed to it. The chairman of the police commission, Philip Givens, is opposed to it. And after that there is no more support.

Interjections.

Mr. Laughren: Well, there is no one else out there who really is in support of the bill. The government can dredge up a few people like Dennis Flynn and so forth, but basically the people in charge of the community out there do not want this bill the way it is; they want it amended. When I look at those people, I see the Solicitor General and the chairman of Metropolitan Toronto, and I ask: "What do they represent in this community? Surely they represent the old way, the old style, the old White Anglo-Saxon Protestant Toronto. That is what they represent."

Interjection.

Mr. Laughren: That is what the minister represents, the old WASP Toronto, and he seems not to understand how dramatically and fundamentally that has changed. He is doing Toronto a disservice and, quite frankly, he is doing his administration a disservice by not accepting the amendments that are being put before this committee of the whole.

I look at it and I think that the government is making a serious error in judgement; and that error in judgement will take its toll in the years to come. Those of us who tried to make the amendment will not get any satisfaction out of the fact that the government made an error in judgement, but we will be watching.

I believe it is more serious than they understand; it may even be more serious than we understand, because while it may be pilot legislation it is really more than that. We are dealing with a new Toronto; it is not sufficient to say that this bill is a pilot project that is going to be sunsetted in three years. You and I both know, Mr. Chairman, that once this police complaints procedure is in place, Toronto will never be satisfied without a citizens' complaints procedure. It will not be accepted in this community, nor should it be accepted. My belief is that it will also be demanded by other major metropolitan centres in the province as

well. And when I think of what the Solicitor General is doing, I think he is making a serious error.

8:10 p.m.

When I was sitting on that committee, I watched community group after community group come before the committee, and every legitimate group out there was opposed to the bill in its present form. I stand to be corrected, but I believe every group said it would rather have no bill at all than this one.

I think that says something. It is saying to the Solicitor General, "Don't give us the pretence of independent investigation without having independent investigation." That is an offence to the people who want an independent investigation. Either he understands it and is making a serious error in judgement or he does not understand it and is just bulldozing his way ahead.

If there were a minority government in this Legislature, this bill would not go through. As a matter of fact, if there were a minority government, I suspect a large number of Conservative back-benchers would also support the amendments.

Those opposing the bill in its present form and who want the amendments include individuals like Aldermen David White, Richard Gilbert, Joe Pantaloni, Gordon Cressy, David Reville, Dorothy Thomas, Patrick Sheppard and Dan Heap, MP, and groups like the Ward Six Community Organization, the Lambda Business Council, Religious Leaders Concerned about Racism and Human Rights, the Law Union, the Working Group on Police and Minority Relations, the Right to Privacy Committee, the Quaker Committee on Jails and Justice, the Albert Johnston Committee against Police Brutality, the Rape Crisis Centre, the Metropolitan Toronto chapter of the National Black Coalition, the Black Resources and Information Centre, the Union of Injured Workers, Gays and Lesbians Against the Right Everywhere, the Riverdale Action Committee Against Racism—and it goes on.

Virtually every significant minority group in the community has decided it does not want this bill in the form that has been presented to us. So I ask myself who this bill is for. Is it to protect the constituents of the member for Eglinton (Mr. McMurtry)? Is it a bill to protect the invisible minorities out there—which is a new expression I learned on the committee—or is it a bill designed to protect those people who feel they need protection?

It seems to me that is what this bill should be

designed for. If those people who have the most to gain from this bill, from the independent complaints procedure, are not happy with it, why is the Solicitor General proceeding with it? I think he is proceeding with it to give the appearance that he is doing something progressive, which I suppose is necessary in the circles in which he moves. But he is not doing that. He is trying to give the appearance of doing something progressive, but every progressive organization in this community is opposed to what he is doing. So what he is doing is downright deceitful.

I look at the organizations opposed to it and those who are for it, namely, the Solicitor General and the people close to him, and I know which side I want to be on. I know I do not want to be associated with the Solicitor General and the bill in its present form. That is why we have this New Democratic Party amendment before the committee now.

I tried to put in my own words what was wrong with this bill so that it would be easily condensed into a paragraph or so. Then I reread the brief by the Coalition Against Bill 68. If someone wants the names of all the groups in the coalition, I can give them, but I do not think that is necessary. This is what the coalition said was wrong with this piece of legislation, and I believe they summed it up very nicely. They said:

"First and foremost, the police are still investigating themselves from day one. Bill 68 establishes a public complaints commissioner who has the power to start his own investigation of a complaint against a police officer but only after the police have had a 30-day head start in their investigation. The public complaints commissioner has a limited power to intervene within the 30-day hands-off period, but Bill 68 makes sure that this power is so restricted as to be virtually useless . . .

"Leaving the initial investigation in the hands of the police defeats the whole purpose of having an independent police complaints mechanism. It is too easy for police officers to conduct their investigation and write their reports in such a way as to influence the public complaints commissioner against the complainant. The procedure will therefore not appear to be fair to the complainant or to the public."

The previous speaker pointed out the importance of not only having justice be done but also making sure that people out there have a sense that things are being done properly. This is the point I do not understand about the police

commissioner, Mr. Givens. Even if the police are 100 per cent on the up and up about an investigation, even if no one tries to cover up a thing, even if they are diligent and thorough in their investigation, if it is at all a contentious investigation or revolves around a contentious issue, there will be a cloud forever around the investigation because it is not independent from day one. That is what is important for the Solicitor General to understand. That is why I think the chairman of the police commission, Mr. Givens, is wrong as well.

I understand the police commissioner wants to protect the interests of his police force in Metropolitan Toronto. I understand that, but I think he is wrong because, so help me, every time there is an investigation that is at all contentious there is going to be a cloud over that investigation, and charges are going to be made against the investigation. Always, if it is at all contentious, it will be said, "Oh yes, the police investigated themselves from day one."

That is going to erode the legitimacy of this legislation. The Solicitor General should understand that. I believe it is wrong for the police themselves, and it is not going to serve their interests well either. Not simply the minority groups out there who are so concerned about it, but also the police themselves will not be well served by the bill in its present form.

I think Chief Justice Donald Morand put it extremely well when he said on page 171 of his report: "The practical difficulties in the investigation of allegations against police are immense. There are seldom independent witnesses. The complainant's credibility is, because of his involvement with the police, often suspect, particularly compared with that of the police officers, and the police tend to support each other to defeat allegations against a fellow officer. Misused force can only be uncovered by a prompt, thorough, impartial investigation of complaints."

Again, on page 188 of his report he says: "I therefore recommend that a citizens' complaint procedure, having as its central aspect an independent investigation review of police conduct, an independent tribunal for the hearing of complaints, be implemented by appropriate provincial legislation forthwith."

He does not just recommend it. He says, "having as its central aspect an independent investigation." The Solicitor General has not seen fit to do that. I believe that is wrong.

There was also a brief from the religious leaders concerned about racism and human

rights. This is what they said: "It is clear to us, from years of experience in and from such communities, that there can be no real confidence in police review process unless the agency responsible is separate and distinct from the police department and investigates all complaints from the very beginning, using its own independent staff."

That is terribly important if this is to work. Quite frankly, we want this legislation to work. I know the Solicitor General stood up in this chamber a week or so ago and accused the opposition members who dared to part company with him on this of playing party politics, posturing and making political speeches. Perhaps the Solicitor General should understand that the opposition does care about this legislation. Those groups out there in the community who bothered to come before the committee and express their views care about it too. They care about it a great deal.

8:20 p.m.

The minister insulted a lot more than members of this chamber with that rather shoddy performance of a week ago. It is terribly important that this legislation work and that there be a decent citizens' complaint procedure set up in Metropolitan Toronto. It is very important.

The Canadian Civil Liberties Association made an interesting point. Although the Solicitor General likes to quote the McDonald commission and others, when the McDonald commission did its investigation, it never suggested that it should rely on the Royal Canadian Mounted Police themselves to do the investigation. When the shooting of Albert Johnson occurred, it was the Metropolitan Toronto Police chief himself who asked that the Ontario Provincial Police do the investigation rather than the Metropolitan Toronto Police themselves. Surely that means something to the Solicitor General. On contentious issues, it is terribly important that this be done. It should not require any kind of intervention to have that fall into place. It should be automatic that it is independent from day one. That is what this legislation does not do.

The Solicitor General likes to say that the Metropolitan Toronto police support him, but I can recall what the Metropolitan Toronto Police Association said a couple of years ago. There was a strange alliance between the Metropolitan Toronto Police Association and the Metropolitan Toronto chapter of the Canadian Civil Liberties Association. The spokes-

man on behalf of the police association was Syd Brown and on behalf of the civil liberties association was Alan Borovoy. They presented a brief to the Honourable John MacBeth in response to the Morand report.

They indicated in their report—I will quote them precisely: "The Metropolitan Toronto Police Association and the Metro chapter of the Canadian Civil Liberties Association have joined forces here to urge the implementation of this recommendation." By "this recommendation," they are referring to the independent investigation and review of police conduct.

Mr. Nixon: That is Chief Brown.

Mr. Laughren: That is Chief Brown and the civil liberties association. So that the Solicitor General will not accuse me of misleading anyone, since that time the Metropolitan Toronto Police Association has changed its position. Now it supports the Solicitor General's view of the way the bill should be. They have changed their minds.

Mr. Elston: Not entirely.

Mr. Laughren: Not entirely, no; that is quite right.

What still remains a fact is that every single significant minority group in the community supports the NDP amendment to make an investigation independent from the very beginning.

I do not know how the Solicitor General fits that all together with the purpose of the bill in the first place. I hope that when he responds he will tell us why it is he has chosen to ignore the requests of those groups out in the community.

For the life of me, I do not understand why he would not say to himself and to those around him: "This is a very important piece of legislation. We simply must listen to those people who have the most to lose or gain by whether or not this legislation works in Metropolitan Toronto."

I urge the Solicitor General to do two things: one, to remove the high-level fix from his caucus, and two, to reconsider his own position on this amendment.

The Deputy Chairman: The member for Brant-Oxford-Norfolk.

Mr. Nixon: Mr. Chairman, I defer to the member for Hamilton Centre.

Ms. Copps: First of all, Mr. Chairman, for the record, I would like to clear up a misconception on the part of some of us. I am surprised that those who actually sat in on the hearings are not aware of the fact that it was the Liberal Party which, still in its capacity as official opposition

with approximately one third more members than the NDP has, despite the government's funding to the contrary, was the party that moved the amendment.

In case the NDP is not aware, it is the Liberal Party that probably has the best handle on the question of visible and other minority groups in Ontario, as much as the NDP has been trying for the past years to erode our support in that area.

As the NDP's own surveys in the riding of Hamilton Centre were wont to show, and I believe if one goes back to a quote in the *Toronto Sun* one will read, "the support from the NDP in the multicultural community in Hamilton was totally eroded."

The Deputy Chairman: Is the member going to speak to the amendment?

Ms. Copps: Yes, Mr. Chairman. I would like to speak to the amendment.

I am surprised that the member for Nickel Belt (Mr. Laughren) has questions as to why the Solicitor General is not supporting the amendment and not proposing the amendment. I have no hesitation in saying that the Solicitor General of this province is not particularly interested in the idea of community relations with the police of this province. If he were particularly interested, he certainly would not be introducing a bill which, first of all, he does not even have the decency to introduce in the House before he introduced it in the community on a project basis last summer. I think he shows total disdain and disregard for the House—

The Deputy Chairman: On the amendment.

Ms. Copps: —when he decides to go ahead with his project, with or without Legislature approval. But I do not think that surprising. I do not think that the—

The Deputy Chairman: On the amendment.

Ms. Copps: I am speaking to the amendment. I think the amendment is critical to ensuring the independence of civilian review, and not only in this community; I would ask that at some point in the future the government consider extending this protection to all citizens of Ontario, and not only to those in the city of Toronto.

If the Solicitor General were truly interested in a situation that is becoming increasingly graver with respect to the relationship between our community and the police force, he would certainly have gone the full route in introducing independent civilian review.

It is obvious to this party, and I believe it is obvious to the NDP, that prior to the election the Attorney General and Solicitor General—he

wears both hats equally poorly—was prepared to make some compromises. It became even more obvious that after March 19—and I noticed that when the member for Nickel Belt was speaking, the Solicitor General kept asking about the realities of March 19. I think the realities of March 19 are going to show some three years down the road, and the people of this province are finally going to see what the Conservative Party stands for and how it is not interested in clearing up problems that exist between minority groups and our police force; it is interested in fermenting and fomenting them.

Unless this amendment is accepted, we are going to see a situation in this province in the very near future which will very clearly resemble the situation that has developed in Brixton and elsewhere in the United Kingdom. This government has a responsibility at this critical juncture to face head on the problems of perception between the community and the police.

It would be very easy, and I am sure the Solicitor General will do everything in his power when the next election is called, to distort the facts in an effort to turn the community against minorities and to put the argument so that it is a question of police versus minorities.

I think it was obvious in the last provincial election that the Solicitor General-cum-Attorney General did not hesitate in having a hand in the largest police raid that occurred since the War Measures Act; and, believe me, the timing of that was questionable. That was questionable not only to people who represent visible minorities and other minorities but also to other people across the province.

If the Attorney General and Solicitor General was prepared to stoop to that kind of politicization of the police force prior to February 2 of this year, what guarantee do we have in this legislation that he will not stoop to do the same in the future?

8:30 p.m.

Probably one of the best speeches I heard in the House was when our former leader, the member for Brant-Oxford-Norfolk (Mr. Nixon), stood up and talked about his very sincere interpretation of the article in *Toronto Life* about Albert Johnson. At that time he pointed out that, as a representative from a rural community, he had not been party in the past to the kind of perception that came out in the Albert Johnson article.

The article did that for many rural members.

This is why I say the legislation, as amended, should be passed across the whole province. The question of minority groups and their perception of the police force and vice versa does not stop with Toronto.

I am a representative from Hamilton, and I would certainly welcome this legislation, as amended, in our community. Unless, however, the amendment as presented by the Liberal Party, much to the chagrin of the New Democratic Party, is passed, I think the legislation *per se* will be fruitless and pointless.

If the Solicitor General were truly serious about addressing the problem of independent civilian review, he could look to our neighbours to the south. We heard this afternoon that the Treasurer (Mr. F. S. Miller) was into Reaganomics. I understand the Premier (Mr. Davis) was one of the vocal observers at the last Republican convention in Detroit. He has only to look to his neighbours to the south to see many precedents for the kind of independent civilian review we are seeking.

If he were truly serious about allowing citizens in this province some recourse when they feel they have been unfairly dealt with in a police-community situation, he would definitely support this amendment. However, it is clear that, as is the case with his colleagues with respect to the human rights legislation and many other bills and propositions before the government, this Solicitor General is not interested in what is good for the people in the community of Toronto and in the community of Ontario.

This Solicitor General is interested in what will get him votes, and it is obvious he has used his judicial authority in the past to his advantage and, with the proposal without the amendment, will continue to do so.

It is for those reasons that I feel our party, along with, I hope, the support of the NDP, will be supporting the amendment which will ensure not only minorities in this community but also all other members of this community that we are in a free society which allows the right of appeal that should be the right of any citizen in this community.

I do not think we should be pitting people against police. I, for one, am a friend of the police. I am not an enemy of the police, and where this Solicitor General might attempt to put that name on any member of the opposition, I would warn him that the realities of March 19, in his particular situation, may turn into the nightmares of 1984. I think the nightmares of

1984 will not solely be the nightmares of George Orwell. They will be the nightmares of this government when it is forced to come to the people of this province who support the notion of independent civilian review. You heard it, Mr. Chairman. The Solicitor General heard it in the hearings. In fact, there is no single identifiable group in this province that came before the committee to support his bill as proposed.

Every group representing every spectrum of society that came before the committee favoured the amendment and, if this Solicitor General is truly concerned with resolving what is going to be an ongoing and a growing problem, not only in this community but also across Ontario, he will have no choice but to support this amendment.

Mr. Mackenzie: Mr. Chairman, I want you to know I am pleased to rise in support of this amendment to section 5.

I must congratulate the member for Hamilton Centre (Ms. Copps) for recognizing the problems her caucus had in losing some of the community support and quickly rallying her members to support this particular amendment, because as I recall it we moved it in committee, not the Liberals. Only one of their members was there to support it in committee. Obviously, they were not too happy about it but at least the member for Hamilton Centre realized: "Hey, we are going to be completely out of the picture if we don't move. Therefore, we better jump once we get into—"

Ms. Copps: On a point of order, Mr. Chairman: If the member for Hamilton East will go back to the second reading of the bill, in fact, the opposition from the Liberal Party outnumbered the opposition from the New Democratic Party.

Mr. Mackenzie: One other small thing in indicating support to the bill, and then I have a couple of serious arguments I want to make, is that I could not quite understand how we got involved in some kind of comparison—it may have been the decibel level—about the War Measures Act, because as I recall it the only people who have enacted that in recent years are Liberals.

The Deputy Chairman: The honourable member is going to address the amendment.

Mr. Mackenzie: Let me say that the amendment is an important one. I really wish the Solicitor General would take a look at it and I say that in a serious vein. I have some reservations as a member of this House about what I

see. I do not know exactly what you would call it except that the Solicitor General seems to resent criticism and is not very quick to act when you do bring some serious problems to him. I can recall some in my own community on which I am still waiting for action, and so are some of his own officials.

In terms of the need for the independence of an investigation of complaints, I want to refer to the need for the same thing in dealing with complaints that involve the police. I know there is another section that may deal with this, but I do want to point out the similarity. My colleague from Nickel Belt read a couple of excerpts from the report of the Royal Commission into Metropolitan Toronto Police Practices by the Honourable Mr. Justice Donald Morand. I want to read one paragraph into the record also, and that is on page 184 of his report, dealing with charges against the police and the need to protect the police themselves. He says in the fourth paragraph on that particular page:

"A system must be developed for the prompt, impartial, vigorous and independent investigation of such complaints incorporating appropriate safeguards for the rights of police officers."

He makes the point in the arguments before and after that there has to be independence in terms of investigation of the police as well. I say to you, Mr. Chairman, that if that is required for the police—and I think it is because I think the police themselves, on occasion, have a very difficult time—then let me tell you that same right and that same safeguard should be there in terms of complaints against the police. I do not know how you make the one argument—except possibly the Solicitor General, who does not accept that argument, but if he wants to protect I think there should be that protection for the police—without thinking the same protection should be there for the public at large.

I would like to point out that we have been fairly consistent when we have had criticisms of the police and we, on occasion, have complaints of the police. We have also been prepared to go to their defence in terms of unfair problems that they run into within their own association, their own dealings in the community.

One of my colleagues—I hope that his replacement some day comes even a small way towards matching his concern—placed a resolution on the Order Paper in this House. I am referring to the former member for Scarborough-Ellesmere, David Warner, whose resolution dealt with the rights of police officers. He simply said in section 3 of that resolution, "It is the right of

every police officer that his reputation and career be unaffected by frivolous, vexatious or unjustified complaints and that he not be placed in double jeopardy." It would allow a tribunal arrangement, an independent arrangement to deal with complaints that might arise against the police.

Once again, if that position can be taken, and we would take it, to safeguard the rights of police officers, it also can be taken in terms of the public at large. That points out the need for an independent group to investigate the complaints and not have the police doing it in the first instance.

8:40 p.m.

There are a couple of other points I could raise, one from the civil liberties group—a different page than my colleague used—pointing out once again the need for independence in the investigation of complaints against the police. I repeat that the same thing should apply in terms of complaints in public. I want, if I can, and I guess this is what causes me personally some problems, simply to say that my experience in terms of labour disputes and picket-line problems, of which we occasionally have a few in this province, has been that we have variations in the performance of the police forces in our community.

We seem to have, generally speaking, a good performance in my own city in Hamilton. We have officers here in Toronto—and among others I am referring to the industrial liaison service—who do a good job when they are there and when they are trying to deal with labour disputes. But we have others—and some of my experiences on at least two or three different occasions are not very happy ones in the Peel region—who act pretty much the bully-boy role in some situations. I am not going by hearsay or what has come to me from other individuals. I am going by what has happened to me in being hauled into a police cruiser and asked about situations and told what I can or cannot get away with or what I should or should not do, and the kind of response I got to specific complaints I laid.

If I did lay a complaint at a higher level, I would have absolutely no confidence whatsoever in justice being done, if I had to start a complaint by going through the police in a case like that. That bothers me, it bothers me seriously, and it seems to me if there is going to be justice it has to come from an independent group doing the initial investigation and not from the police doing the initial investigation. I

think the amendment makes ultimate sense, the amendment that we fought for in our caucus and that the Liberals, give them credit, were smart enough to pick up, albeit belatedly.

Mr. Nixon: Mr. Chairman, I appreciate the support for the amendment put forward by my colleague the member for Huron-Bruce (Mr. Elston) and by the last few NDP speakers. It was carefully considered and has been stated by members on all sides, and it is really the meat of the bill.

I have to express a certain degree of disappointment in my opinion of the Solicitor General, because he is probably the only person who could have introduced a bill, even on a pro tem experimental basis, that would have established civilian review. I do believe he has the confidence and respect of the police forces everywhere, and, to be fair, the confidence and respect of most of the public across the province. He seems to have almost a paranoid fear of anyone suggesting, even for a moment, that he is not 110 per cent oriented towards law and order. I can understand his feeling in that regard, but he is probably the only person who, in that position of authority, could have taken a tentative pro tem experimental step with civilian review.

I suppose this House has changed a bit in the last decade. The Solicitor General has been here for quite a while, and we tend to think that we keep in step with the evolution and all of it is good. But there was a time when this House would have been really torn to pieces if there had been a significant allegation that a substantial part of the Metropolitan Toronto police force was using gross torture tactics to extract confessions.

Actually, it would have been a substantial front page red headline 10 years ago, but last week it was not. It was below the fold, even though five or six lawyers in this town—I do not know very many of them, but a couple of the names are familiar even to me, an outsider—made these allegations before the police commission with the assistance of a substantial group of citizens organized in a group called Citizens' Independent Review of Police Activities.

There was a time in this House when a news report of substantial allegations against some officers of the Metropolitan police force using gross torture procedures of the type that we read about in banana dictatorships would have simply torn this House apart. We would not have gone a day without the Solicitor General

making a statement about it, calling in the Ontario Police Commission in those days; or more probably, in order to get to the facts first and to protect the large body of police second, he would have appointed a royal commissioner without delay.

The Solicitor General knows that is the procedure that was taken in the past, but the procedure being taken now—which he evidently supports because he has not said boo about it, not a word—is that two senior police officers of the Metropolitan Toronto force, inspectors, have been assigned by the chief and the police commission to investigate.

From my point of view I would have great confidence in the inspectors, but it gets to the point of the argument that has been made by my colleague, that it is difficult to condone the review and investigation of such a serious matter by the police themselves.

The argument can be made that if there is evidence those allegations are even partly true the inspectors will tear the holdup squad apart and there will be hides nailed to the wall of the squad room, but it would also be expected that as far as possible the reputation of the police in general would be and will be protected, because the judgement of those inspectors would lie in substantially protecting the reputation of the force first. We cannot blame them for that.

In many respects I have no doubt the reason the Solicitor General has said nothing about it and taken no action at all is that he feels the responsibility is to find the truth, to punish the malefactors if there are any and, third, to protect the reputation of the force.

I was impressed by a comment made by one of the last speakers that times have changed. Everybody in the community does and wants to continue to respect the police force, but I submit there will always be the feeling that in this instance while justice may be done it is not seen to be done, because of the requirements that are carried as a heavy load by those people who have this special duty in the police force to investigate fellow members of the force, that one of their responsibilities is to protect the reputation of the force.

Mr. Shymko: What is wrong with that?

Mr. Nixon: There is nothing wrong with it as long as we realize there are at least two or three priorities ahead of that, and the main one lies on the shoulders of the Solicitor General and the members of this House. I do not know whether it was this Solicitor General or someone else who said so, but the Solicitor General has a

responsibility, really independent of his cabinet colleagues, to see that justice is done and is seen to be done in the province. His reputation is great enough that he could even risk a few slight frowns from some police if, on an experimental pro tem basis, he attempted to establish civilian review.

I am deeply concerned about the allegations about the holdup squad. If my former colleague Vernon Singer were here we would have had a tremendous uproar. I find it a little bit sad that this matter was not raised in a statement by the Solicitor General and that it so far has not come to our attention. It is almost as if, like the *Globe and Mail* reads it, it is a story that should come below the fold.

One of the cornerstones that we have absolutely taken for granted like the sun rising in the morning is that, while there may be individuals from time to time succumbing to a variety of temptations, our police force is something we can count on entirely and continue to count on, but I would suggest that attitude is deeply eroded by the most recent allegations about some members of the holdup squad of the Metropolitan force. These did not come from some people in the community without reputation or without responsibilities; they came from five or six officers of the court, some of them quite senior. It was disposed of in a rather sterile way and put away for the police to investigate.

8:50 p.m.

This concerns me and I cannot help but think it does not concern the Solicitor General enough. But he is concerned, perhaps more than he should be, with the reputation of the police and with his own reputation as a 110 per cent law and order police supporter rather than the spokesman of the elected members of the Legislature—not just the government—and, through us, of all the people to see the rights of the citizens are safeguarded and, as has been said, are seen to be safeguarded.

It was a coup to persuade Mr. Linden to accept the position of citizen complaints commissioner. As others have indicated, his reputation is excellent and completely acceptable. The fact he has started on the job even before receiving it officially amazes me, particularly when the Solicitor General has indicated by his amendment that he is going to withdraw even the very small crack of enlightenment that crept into the bill in one of the later amendments the committee discussed.

I suppose there is a feeling—almost the famous garden path we have heard about all our

lives—that once Mr. Linden has made the commitment to accept this extremely important position, he has been led along by the Solicitor General through various thickets in the garden path until he has come to the point where his reputation can stand yet another blow.

He will not have an opportunity to have any significant responsibility for the review of these cases until the police have reviewed them themselves. I feel concerned we are missing this opportunity at least to experiment with civilian review with an outstanding person who certainly has the confidence of everybody in this Legislature who knows his reputation and the same is so in the community.

I believe his reputation is good enough that even the police could stand the idea he would have the primary responsibility and not find himself, as he now finds himself, as something lower in the echelon of responsibility in this connection which almost makes his job irrelevant.

I support the amendment strongly. I have heard the Solicitor General's responses and no doubt we will hear them tonight. I usually find them completely infuriating since they are based upon his premise that anyone who does not agree with his position has to be anti-cop.

He shakes his head, but that is certainly the statement he gives. You can understand why that is so infuriating, Mr. Chairman. If the honourable member had even a grain of progressive spirit, the job he now has and has had for so long, far too long, would be the easiest stepping stone to the premiership of the province that ever could be. He has all the charm, all that teddy bear crap he throws around all the time, yet there is not a progressive cell in his noggin.

He really is appalling in that regard and I feel honestly frustrated he misses such an excellent chance to be a person, a mensch as we call it in South Dumfries. It is just unfortunate he cannot see the challenge and the opportunity that lies within his grasp.

He has a Toryism in his makeup that his predecessors, John MacBeth for example, would renounce out of hand. Even his leader would renounce it out of hand. It is only because of their old schoolboy association, the snapping of the towels at each other in the locker room after the big game, that he is prepared to go along with his terrible position in this important matter.

I feel strongly about it. I certainly do not intend to be facetious, and I must guard against that, because I do not want anything but a very

strong point of view to be directed to the minister. I do not really care about his political career. But this is a landmark decision for him, and it marks not the way to a better community but the rejection of the kind of progressive approach in this matter that could have been his and probably his alone.

I do not know any other cabinet minister who could have handled it and still maintained the support and respect of the police. I feel very sad indeed that it is evident that he and his colleagues will not support the amendment, which is certainly the meat of the bill. If the amendment is not accepted I feel the bill falls far short of what we in this House could and should achieve.

Mr. Chairman: We are discussing an amendment to section 5 of Bill 68. Are there any further speakers?

Mr. Gillies: Ladies first.

Mr. Chairman: I am sorry. My eyes were not wandering. I have been caught in this position before.

Interjections.

Mr. Chairman: Well, I have missed a rotation. If the honourable members will oblige me, I understand the rotation is this way, so it would be the member for St. George.

Ms. Fish: Thank you very much, Mr. Chairman. I rise to speak in support of the clause as proposed by the Solicitor General.

I do so having had close to 10 years of history and involvement in the city of Toronto with the difficulties of complaints against the Metropolitan Toronto police—10 years, which, I suggest, is longer than the involvement of most other members around this chamber.

I do not rise to defend the section by arguing, as it has been suggested that others have, that those who oppose this fundamental clause in the bill do so because they are, in the words of the member for Brant-Oxford-Norfolk, “anti-cop.” Nor is it my view that those who support this section are by definition seeking to whitewash or to demean or to see that justice will not be seen to be done as well as be done.

I think it is important to remember, as some have reminded this chamber over the last little while, the several reports that have been brought forward recommending changes to the complaints procedure for the Metropolitan Toronto police. Much mention has been made of the Maloney report, which was issued on May 12, 1975. I think it is important to remember that Mr. Maloney recommended two essential com-

ponents to the complaints department, one of those being the investigative branch. It is useful to note that in his recommendation the investigative branch was to be manned exclusively by trained police personnel; the judicial branch, which he suggested should review the complaints, was a civilian review and, indeed, was a civilian commissioner of complaints.

It is interesting to note that approximately a year later Mr. Justice Donald Morand commented on Mr. Maloney’s recommendations in his report. A part of his recommendations on the independent investigation and review of police conduct was read into the record a few moments ago by the member for Nickel Belt. But the honourable member failed to read into the record the section that follows on a bit further from that, which reads, in the words of Mr. Justice Morand, “In my view the scheme recommended by Mr. Maloney”—and in my words I would insert “the two branches, one judicial, which is civilian, and one investigative, being trained police personnel”—“meets the criteria which I have discussed and should commend itself to the government as a workable model.”

9 p.m.

The bill before us today in fact responds very favourably to both of those remarks of Mr. Maloney and Mr. Justice Morand. I further note that the penultimate study that has been undertaken of the Metropolitan Toronto police and its relations with minorities—in this case, the most recent in its relationship to all minorities throughout the city—was the October 29, 1979, report by His Eminence, Gerald Cardinal Emmett Carter. It was the most recent study undertaken of the force in its relationship to all minority communities.

It is instructive to be reminded of some of the comments of Cardinal Carter in his report. He says, in the first place: “To destroy the discipline of the chief and the authority of the department itself would be counterproductive. The co-operation of the police force and all of its elements is essential, not only to the good order of the city but to the administering of discipline within the force. In short, I view the necessary structures as being based on these considerations. The first is that the normal procedure is to complain against a police officer to his immediate superiors. This, under most circumstances, should be all that is required.” That ends my quoting from Cardinal Carter’s report.

The opportunities to examine this issue of

appropriate legislation for civilian review of complaints against the police were given to this Legislature very shortly following the completion of Cardinal Carter's report. Bill 47, as it was then, was introduced into this House in May 1980. It is instructive to note that at the time of the discussion on that bill, in a minority government, the fullest opportunity could have been provided to opposition parties to bring forward and secure approval for any amendment they would have wished. It is equally instructive to note that the opposition parties combined to defeat the bill on second reading and refused to have it sent to committee.

It is interesting that I was involved as a member of city council, along with Alderman Patrick Sheppard—a most articulate, most intelligent, and I might say a most capable representative of the New Democratic Party on Toronto city council—in strongly urging all members on all sides of this House some 16 months ago to deal seriously with the issue, to take cognizance of the numbers of years which those of us in Metropolitan Toronto and particularly those of us in the city of Toronto have been grappling with the issue of police-community relations and complaints against the police, and to take the opportunity of moving ahead with legislation.

The kind of concern that members of city council have about the importance of moving as rapidly as possible to secure approval for this legislation was most recently noted in a piece of correspondence under date of April 29, 1981, from Mayor Arthur Eggleton to his executive committee. In that letter, Mayor Eggleton went out of his way to indicate that in his view, while there were a variety of recommendations to amend Bill 68, the single most important aspect of the process was to urge the provincial government to move as quickly as possible to ensure that a civilian complaints procedure was established.

In his words, in a recommendation to the executive committee adopted unanimously by the city of Toronto council, the very first recommendation was, "that city council emphasize the need for provincial legislation at the earliest opportunity to improve methods of processing complaints by citizens against officers on the Metropolitan Toronto police force."

It is clear to me there is dissension over the issue of whether at this time we proceed with the structure being proposed in this bill or whether we move to a more fundamental amendment such as has been proposed and is the subject under debate now.

I would remind members that this bill is a pilot project. It is for a three-year period. It calls for careful monitoring. Most important it has been sought by council after successive council, by mayor after successive mayor, for nearly 10 years in the city of Toronto and in Metropolitan Toronto.

As I indicated in my opening remarks, I do not wish to impute motives on either side of the House for those who support the clause or those who support the amendment. I think it is instructive that this legislation is before us now after all this time, that it provides for a very substantial improvement in the process, and that it is in that measure landmark legislation.

It may not be as perfect in every respect as we would all wish it to be if we had an opportunity to see it in action. But the whole point of the bill is that we want an opportunity to see it in action. We would like the period of three years to examine it. That request has been made repeatedly by city council and all its members from all parties over the years. There is opportunity in this bill to bring forward very progressive legislation and to give it an opportunity to work—not in a climate of venom and acid hurled across the Legislature but in a spirit of co-operation. This is an opportunity to advance the work, the co-operation, the communication and the representativeness of the Toronto police force and the communities it must serve.

It is clear to me those who wish to divide the communities from the police, rather than secure an opportunity for increasing the representativeness of the police for the community and thereby service to the community, will not be paying the least heed to 10 years worth of effort on the part of all members of city council representing all parties.

Mr. Chairman, I would urge members to adopt the clause as it stands.

Mr. Di Santo: Mr. Chairman, I think if people do not understand that Toronto has changed in the last 25 years then we cannot understand how wrong is the Solicitor General and the Tories who are supporting section 5 of this bill.

As the member for Brant-Oxford-Norfolk said, the NDP amendment adopted by the Liberals is fundamental to this bill. It asks for what members of all the minority groups ask for. Those groups who are going to complain or who are complaining about police abuse, the groups that should be protected by the bill, do not accept it. They want a civil investigation. Not one single group in our community accepts the view of the bill that are the views of the mighty

minority that historically holds power in this province, but which in Metropolitan Toronto today represents a minority.

I think the government, only because it has the 70 members, wants to impose on the majority of the people of Toronto a bill they reject outright. This position is not only undemocratic, it is dictatorial.

The member for Brant-Oxford-Norfolk referred last week to an incident where five lawyers and the members of the independent review on police activities presented letters from people who alleged to be victims of police brutality. Not one of them gave their names because obviously they thought if they complained to police officers they would endanger their position.

9:10 p.m.

I think an investigative body can have a function in helping to solve the social tensions that exist in our society. They are not the inventions of the opposition parties. If we have had Mr. Maloney, Judge Morand and Cardinal Carter, as well as commission after commission since 1975, investigating the relationship between police and minority groups that means we have a problem there. We have a social problem that will explode at some time if we do not provide the mechanism that will help to solve it.

The government will have to solve the problem and have the confidence and the co-operation of the various groups in our society. It must understand the setup of society and not attempt to impose, as usual, the views of those who have power, who are a minority, and who pretend to represent the views of the whole population.

I think the government and the Solicitor General are making a serious mistake in refusing to accept the submissions made by several groups who intervened at the committee, and in refusing to accept the views of the opposition in this amendment. It is a reasonable amendment. Refusing to accept it can, in two or three years, become very dangerous for us and for them.

It would be regrettable if three years from now we are here again judging how wrong the decision made by the government was. I want to ask the Solicitor General to think again. What we are expressing are not the views of people who do not respect the law, or who are against cops. That is not their view. I think in a modern democratic society the police should reflect the setup of society and its values. As I said at the beginning, Metropolitan Toronto has changed. The majority of people in Metropolitan Toronto

belong to what, in the jargon, is called the multicultural society. The values of all those groups should be reflected also in the structure in our society.

With this bill the Solicitor General is trying to impose a Conservative view that will probably pass now, because they have 70 members. But three years from now—and in that sense this can really be defined as a pilot project—it will crumble and we will be back at square one examining a very serious bill to start a civilian investigation the way we, in the minority groups of this society, want it.

For these reasons, Mr. Chairman, I support the amendment. I hope those Tories who have been elected on the wave of the so-called minority groups' rights and now are reneging on the promises of their very elections, stand up and represent the views of the people in their constituencies. They should concern themselves with the people whom they represent and not be too much concerned with their careers.

The time will come when they will be appointed ministers. They do not all have to sell out at once. They have to remember they have been elected to this Legislature to represent their constituents. Their careers are only part of the process. I hope they have the moral courage to stand up and represent the views of the people they are representing and support this amendment. I can tell them if they go back to their communities they will know what the feelings are and they will suffer the consequences.

Mr. Spensieri: Mr. Chairman, I rise to speak in support of what is still undoubtedly my party's amendment to section 5 of this bill. As the member for the metropolitan riding of Yorkview, in Toronto, where this legislation is going to receive its trial by fire and severest test, I would be in complete dereliction of my duty to my constituents were I to remain silent on this most central aspect of the bill.

The references to the concerns about this bill on the part of the visible minorities, the ethnic minorities, the poor, and those not fully integrated into the Canadian way of life may be vague and largely theoretical concerns to many members of this Legislature, particularly those from the affluent ridings of Metro. However I can assure this House that viewed from the intersection of Jane and Finch these concerns have a practical, almost daily manifestation in very concrete terms.

Many of the groups appearing before the justice committee were active in the so-called

Jane corridor in the realm of social justice and social services. They included the Jane-Finch Concerned Citizens Association, the Jane-Finch Legal Services group, the Downsview Information Centre and the Don West Action Committee—DWAC. These were only a few of the groups with whom I have met about this bill, and not one group has ever suggested to me that an internal investigation system by the police, such as is proposed by the present section 5, can even remotely hope to succeed.

During many meetings I have held—not in the genteel ambience of the committee room but in church basements, places like the Driftwood Community Centre where the Solicitor General's staff attended at least on one occasion to personally receive the flak and the fallout—I have become convinced of three things. First, the public which this bill hopes to serve is not buying the concept of having to complain to essentially the same person accused of wrongdoing. Second, the said public will not consider itself in receipt of impartial and unbiased assistance. Finally, the same public will not use the system but will turn to less desirable alternatives such as self-help, vigilantism and the "Let's get the fuzz" attitude so prevalent elsewhere.

As a practising lawyer I have participated in, recommended and sometimes even cajoled clients and now constituents who are afraid of the process into laying at least a dozen complaints in which I have been personally involved. I have talked to colleagues who have had occasion to counsel clients on these matters. Their experience, as mine, has been that not one complaint was disposed of in other than an informal manner and that in all cases the reviewing officer made a finding that the allegations were unfounded.

If our criminal courts had the same success rate at convicting those accused of criminal offences, 100 per cent of our accused would be free men with no criminal record. Yet the present section 5 will assuredly encourage the preservation of this state of affairs.

Two other groups which appeared before the justice committee—the Jane-Finch Legal Services and the Parkdale Community Legal Services clinic—have made reference to similar findings with their experience. Mr. Libman, who appeared for Riverdale Socio-legal Services stated, "We have on numerous occasions been consulted by people with complaints concerning police behaviour. Without accepting the veracity of these complaints we can

certainly state that they are often forcefully put to us by people who have nothing to gain by making the complaint as there is nothing we can do to help them.

"Often they are shocked and upset by their experience and want no further contact with the police. Their faith in the force has been shaken and they certainly cannot accept the concept of their complaint being investigated by friends and colleagues of the perpetrators who have a vested interest in suppressing the complaint. Therefore, to gain the confidence of the very people most likely needing to have recourse to a complaint procedure, we urge the committee to consider our recommendations."

9:20 p.m.

These are recommendations made by people who have practical daily experience with counselling, by users of the potential complaint route. These same groups which are operating in the area of rendering legal and practical advice will not feel comfortable in recommending the route of complaints to their clients and to the users of their services if this section is kept in force.

I had hoped I would have had the support of other Metro members on both sides of the House for our amendment. However, I have now seen those hopes shattered by the member for St. George and likely will see that by others who are going to follow in those same footsteps.

I urge the two parties on this side of the House who have a practical and vested interest in representing the needs of the so-called visible minorities and other ethnic constituents, since we are the only ones with real spokesmen on their behalf, to put this amendment through as rapidly and as expeditiously as possible.

Ms. Bryden: Mr. Chairman, this amendment would not even be before this House if the similar amendment by the NDP in the standing committee on administration of justice had passed, but it was the Conservative members who voted against that amendment and that is why a second try had to be made in the House.

We are taking advantage of the second opportunity and will make a further attempt to convert the Conservative members to the merits of this kind of amendment because without this amendment this legislation is just so much window dressing. It is just an attempt by the Tory government to suggest they are concerned about the need for some sort of machinery for complaints against the police by citizens, but the machinery is the kind that does not work.

If the Conservative members who sat on the justice committee listened to all the depositions and individuals who appeared before that committee, I cannot understand how they still believe the kind of legislation the Conservative government is bringing in is going to be of any use or will be acceptable in any way to the people of the city of Toronto or of Metropolitan Toronto.

In particular, many of the minority and immigrant groups feel insecure with the kind of legislation the Solicitor General is bringing in and they have made this very plain. There are other people as well who also feel this kind of legislation is not an answer to the problems.

I have received complaints from a considerable number of constituents. I am not saying police abuse is widespread in Metropolitan Toronto. I think the majority of our police officers try to treat citizens fairly and to respect their rights and freedoms. I think we are fortunate that we have many dedicated and sensitive police officers. But in any organization there may be some who at times perhaps do not always meet the expected standards. When this occurs the aggrieved citizen must have recourse to a complaint procedure which is independent of the police.

The Attorney General tried to do an end run around the legislation by appointing Mr. Linden who was supposed to hear complaints until the legislation got in. The Solicitor General's attempt to do an end run around the bill during the summer by appointing Mr. Linden has, I understand, been somewhat stymied by the fact Mr. Linden decided the summer was needed to set up procedures and forms. So there is no independent civilian review of police complaints in effect right now in Metropolitan Toronto, and there will not be one, in my opinion, unless this amendment passes.

Some of my constituents who have come to me with complaints against the police were members of visible minorities and some were not, but they alleged various kinds of police abuse ranging from verbal harassment to racial prejudice and even occasionally to physical manhandling. One reported that his home had been raided and literally torn apart in his absence on what appeared to be a very minor suspicion of misconduct. Another said a piece of property had been seized as potential evidence and that he had great difficulty getting it back after acquittal.

None of these people had any confidence that lodging a complaint with the police would be of

any use; that is why they came to me. But I have no investigative powers; I cannot go into all the details of their allegations; I cannot give the police officer they are accusing a chance to reply. All I can do is send a letter to the chief of police detailing the allegations from my constituent and asking for an investigation. Generally I have received a courteous reply from the chief of police when I did this, and he usually promised to look into the matter. I seldom heard anything further.

So we definitely do need a more formal procedure for citizens to make their complaints against the police and to have an investigation by an independent fact-finding body. The only type of procedure that will inspire any confidence that the complaint will be dealt with fairly is machinery that is totally independent of the police.

I am not sure how many times we will have to tell the members opposite that this is, I think, the consensus in Metropolitan Toronto and that they are bucking the tide and showing their Tory colours when they oppose this kind of legislation to protect the freedom, dignity and rights of our citizens in this city. After all, this legislation is supposed to be pilot legislation, trying out for three years in Metropolitan Toronto what we hope will become province-wide legislation. But if it starts off as legislation that is not accepted by the majority of the citizens of Metropolitan Toronto it will not be a very sensible pilot.

Therefore, I will support the amendment because I think it is absolutely essential in order to transform a poor bill into a bill that has some hope of meeting the needs.

Mr. Chairman: We are on debate of section 5 of Bill 68 and Mr. Elston's amendment.

Mr. Roy: Mr. Chairman, thank you for the opportunity to make a few comments about—

Mr. Piché: You have lost weight since the last time I saw you.

Mr. Chairman: Order, please. He has not even started.

Mr. Roy: Mr. Chairman, you should send the member for Cochrane North (Mr. Piché) back to the lineup for the cafeteria. I think that is where he wants to go, and that is where he should be.

I think all members, including the so-called silent Tory back-benchers, should take this opportunity to participate in such important legislation, especially those who represent Metropolitan Toronto. I heard the member for High

Park-Swansea (Mr. Shymko) interrupt my colleague the member for Brant-Oxford-Norfolk who was commenting on what was wrong with the present state of the bill. Looking at the performance of that member, I am beginning to realize he is not much better around here than his predecessor. I read about his reputation on Parliament Hill and during the election for being enlightened, open-minded and having some independence. I find him nothing but a political hack with very narrow views.

9:30 p.m.

Mr. Chairman: Order. The member for Riverdale has a point of order.

Mr. Renwick: My point of order is that I am upset that the member for Ottawa East should draw a comparison between the former member from High Park-Swansea and the present member. To suggest for one moment that the former member for High Park-Swansea did not, in certain fields, contribute more than a great number of us have contributed collectively to the public welfare—namely the investigation leading to the trials of those involved in the Abscam matter; namely the sittings at the present time of the Royal Commission on Health and Safety Arising from the Use of Asbestos in Ontario. I could name a number of other matters that member contributed to and I would ask the—

Mr. Chairman: Thank you, the member for Riverdale. As the chairman, I have probably allowed—order, please.

Mr. Renwick: Mr. Chairman, don't thank me until I have completed my remarks.

Mr. Chairman: I think you have completed your remarks to the extent I am having difficulty with your point of order.

Mr. Renwick: I trust the member for Ottawa East will reconsider his remarks and withdraw them in reference to the present member for High Park-Swansea.

Mr. Chairman: Order, please.

Mr. Shymko: Mr. Chairman, on a point of order, I totally concur and agree with the member for Riverdale that I should not be compared with the former member for High Park-Swansea.

Mr. Chairman: Interestingly enough, colleagues, I am having difficulty under the stand-

ing orders in defining your point of order. I am going to ask the member for Ottawa East to speak to the amendment, please.

Mr. Roy: Mr. Chairman, it really is an interesting proposition—

Mr. Chairman: Speak to the amendment.

Mr. Roy: —when I compare the former member and the present member, we do not really know who is insulting whom. In any event, I have made my comments and if they were offensive to my colleague, the member for Riverdale (Mr. Renwick), then I apologize.

Mr. Chairman: Good. Speak to the amendment.

Mr. Roy: I want to say it is unfortunate that Ontario, in embarking upon such important and precedent-setting legislation, did not take advantage and attempt to have the best possible legislation. In every endeavour we are involved with, whether it is investigation of professions or especially involving the administration of justice, an attempt has always been made to ensure the investigations that take place always appear to be objective and independent.

I have listened to other members making comments about this legislation, especially the members opposite. They have stated that this is good legislation, that it is the best possible legislation at this time. The legislation is experimental, they say, for a period of three years. It has been my experience that, when putting forward legislation of this type, as hard as we may strive to attempt to get the best possible legislation and foresee all impediments that are possible in establishing the legislation, even at that we encounter problems.

But here is a case where from the start we know there is going to be a major problem. Some of my colleagues from Toronto have mentioned this. From the start there is a problem in the ethnic community, which at times is suspicious of authority. That is normal. Sometimes they feel they do not have adequate representation within this authority. These people feel that if an investigation is going to take place, at least the investigation of this body of which they have some apprehension should be or should appear to be independent.

Unfortunately, it is not going to happen. It is unfortunate, as my colleague the member for Brant-Oxford-Norfolk has mentioned. There are those of us who over the years have stated to the Solicitor General that it is important that, from the outset in this investigation, the commissioner have some jurisdiction to intercede

from day one. It is unfortunate they have not taken that position and have not stuck to that position throughout.

For instance, there was a situation on the last occasion the bill was voted on and defeated last year when the opposition was branded by the Solicitor General and by the Premier as being anti-police. I thought it was very unfortunate for those of us who respected the authority but in principle felt, as in any other process involving the rule of law and the administration of justice, that independence should be established.

We have established it throughout the administration of justice. That is why we have judges. That is why the crown attorney is separate from the police. That is why at one point in this Legislature we felt the Solicitor General should be separate from the Attorney General. We always figured the appearance of some form of independence was important. Unfortunately, it will not take place here. Whatever deal or arrangement the Solicitor General may have had with the police that he would only go so far with this legislation is unfortunate.

My colleagues on the committee have commented a number of times that minority groups who time after time came forward before this committee all were, as far as I know, unanimously in favour of this proposition that has been put forward by my colleague the member for Huron-Bruce.

Having listened to the comments of various members here this evening, I was somewhat surprised to listen to the comments from the member for St. George. She is a member who I felt had been elected on the basis of, or at least had the reputation in the past of exhibiting, some type of independence. I felt she was a member who was able at times, when principles stood in the way, to stand for a principle against the tide or the steamroller that is the Conservative Party, the Big Blue Machine or whatever.

I was somewhat disappointed this evening that she should so wholeheartedly support or embrace the position taken by the Solicitor General and by the Conservative Party on this legislation. What was most surprising, and my colleagues may correct me if I am wrong, was that every attempt was made this evening by the member for St. George to create the impression that Mayor Eggleton of the city of Toronto was now embracing the position of the Solicitor General, that that is the position he accepted and the position he had before the committee.

I stand to be corrected if I distort in any way the statement given this evening by the member

for St. George. My colleague the member for Windsor-Sandwich (Mr. Wrye), who was a member of the committee, said to me it was his understanding, being present at the committee, that was not the position of the mayor of Toronto.

I think it is important, when a member is quoting or stating the position of another elected official, especially in a situation or on an issue as important as this one is to the city of Toronto, that the facts in no way be distorted; that the House not be misled in any way as to the position of an elected official in this city. My colleague has brought me a report. I have the Hansard of the standing committee on administration of justice, dated September 23, 1981.

The Deputy Chairman: You are primarily speaking to the amendment.

Mr. Roy: Were you present, Mr. Chairman, during that committee?

The Deputy Chairman: Yes, I was. I am concerned that you speak to the amendment as much as anything.

Mr. Roy: The amendment, Mr. Chairman, if you will read it, and I can read it with you, in principle suggests that the complaint be made to the public complaints investigation bureau. This is the whole thrust, the whole issue of this particular bill. This is what I want to talk about. I want to talk about the position taken by the mayor before the justice committee about who should investigate the original complaint, who should have the jurisdiction to look into the complaint from day one.

9:40 p.m.

I will go back when this issue was being discussed in the committee. The issue being discussed at the time was this—and I am reading from page two: “The fifth recommendation—and this is really the main point of contention and concern on the part of the mayor’s committee and of city council—is that an independent investigation of all civilian complaints against the police be provided right from day one.”

On page three the mayor had this to say: “The preference of the mayor’s committee and that of city council was that the investigations be conducted independently under the direction of the public complaints commissioner from day one.” That was the mayor’s recommendation.

Does that appear to coincide with what I just heard this evening from the member for St. George, who clearly attempted to embarrass the Liberal opposition by saying, “Your Liberal

friend over at city hall clearly does not agree with the amendment proposed by the member for Huron-Bruce”?

An hon. member: But he does.

Mr. Roy: And he does—obviously. I can see why the member would not want to stick around; it is somewhat embarrassing. The public record indicates that this evening the member for St. George, whether willingly or not, clearly misled the House by saying that the mayor took a position that coincided with that of the government rather than with that of the Liberal opposition.

What is most surprising about the statement made this evening by the member for St. George is the fact that after the mayor said this, the Solicitor General questioned the mayor about this situation in the presence of the member for St. George.

An hon. member: That was the only time she was there.

Mr. Roy: She was there, as my colleague said. Apparently she was not there that much, but she was there on that occasion.

I will read from the public record, if I may. The Solicitor General states, “I think you are well aware of the views of the chief of police in this regard. Mr. Jack Ackroyd, who will be appearing before this committee, has expressed the view, I believe publicly, I believe to you—certainly to me—that if the police do not have the opportunity of policing themselves in the first instance, of doing the initial investigation, he feels this will significantly undermine discipline within the police force. You are aware of his views in that regard?”

Mayor Eggleton said, “Yes. I have heard those views.”

The Solicitor General said, “You disagree with them, obviously.”

Mayor Eggleton said, “Yes, I do. In the case of the police investigating the police, one of the difficulties I find is that perhaps the police can be very much harder on their own members. I think they would accept, if it were put in place, an independent investigation. I think that would certainly be fair to them as well as to the people who are complaining about different actions of officers.”

Mr. Chairman, is it or is it not clear what the position of the mayor is? Do you think that if you had been present at this hearing you would have concluded that the mayor supported the Solicitor General’s position after this question and answer by the Solicitor General and the mayor?

Mr. Chairman, can you explain to me how the member for St. George can come to a conclusion opposite to that? Can you help me on that?

An hon. member: We can count on his vote.

Mr. Roy: Just to make sure the public record is clear—

The Deputy Chairman: Still on the amendment?

Mr. Roy: Right on the amendment, Mr. Chairman. I will turn to page 24 of the report of the proceedings, just to make the case as clear as I can. As I stated, the position was taken independently by the mayor. The Solicitor General questioned him on it in the presence of the member for St. George, and she got involved in the questioning herself.

She questioned the mayor and said: “Thank you, Mr. Chairman, I have just a couple of questions. I thought I heard Alderman Hope using some very strong language with phrases like ‘concerns about interlocking directorate’ between the proposed civilian complaints commissioner’s operation and the police. I inferred from those remarks that a position was being advanced that suggested the investigation into complaints should be completely independent with no relation whatsoever to the police. Mr. Mayor, I would ask you whether that is your understanding of the position of council.”

She questioned the mayor herself, Mr. Chairman. The mayor answered: “The council has said there needs to be independent investigation from day one. It has not said the Metro police department should not also be involved with the investigation, because they need to do that for their own internal discipline matters at least. But the carriage of the investigation, it is being suggested, should be independent under the direction of the public complaints commissioner.”

Is there anything clearer than this statement by the mayor? I ask that the member for St. George come back in this House and correct the record and apologize to the mayor and to the members of the House, because clearly, according to the public record, the members of this Legislature, willingly or not, have been misled by the statement of the member for St. George.

In closing, I must say that through a relatively short career in the law, I have worked with the police and, at times, I should not say against them, but as a defence counsel. I worked for some two years with the crown attorney’s office. Then I worked some two or three years further

as special prosecutor involved with the police in a variety of cases, income tax, drugs under the Food and Drug Act, et cetera.

Having seen both sides of the fence, I can draw on my experience as to the workings of the police. It seems to me, given my relatively brief experience, that the police, like any other institution, are subject to civilian control. But they are the servants of the community and, as I have said on many occasions dealing with the Police Act, the Police Act must reflect as well the rule of law, because how can we expect the police to respect the rule of law towards individuals if within their own Police Act sometimes the rule of law is not enforced?

I have suggested, as you can recall, Mr. Chairman, instances where complaints were made against the police and a policeman very often found himself in a situation where he was being prosecuted by an inspector and the judge was the chief of police. I felt that, in some of those circumstances, the objectivity or the appearance of justice was not present. I came to the police defence on some of these issues.

But if we are expecting the community to have faith in the process and in the administration of justice and the rule of law, how can we expect it to do so if, when a complaint is made against the police, a commissioner with at least the appearance of independence and impartiality is not present at the first instance?

The first instance is extremely important where this type of investigation is involved. It is extremely important. To say that the commissioner can interfere or get involved at some later time is just not good enough. I think it is unfortunate, when we are setting down and collectively proceeding with legislation as important as this, that we are led into a situation where we cannot say to the public of the Metropolitan Toronto area of York that justice not only is being done but also is appearing to be done. We cannot say that in this particular case.

I hope the bill will work. But the fact remains that the bill would have been so much better, and would have received widespread acceptance on the part of the whole community, had a simple amendment, such as is proposed, or had a compromise situation been accepted—which was offered on a number of occasions to the Solicitor General—to give sort of joint jurisdiction to allow the public complaints commissioner to get involved if necessary in the first instance.

9:50 p.m.

I find it sad that in enacting this type of legislation we are not getting the best that we could have had, and it is unfortunate that more members on that side are not exhibiting the independence that is necessary of members who have received the faith and support of their communities in voting for a bill that not only creates justice but also appears to create independence and impartiality.

Mr. Renwick: Mr. Chairman, I need not speak long to underline the importance of the amendment that is before us. Fortunately, it is an amendment that has a quality about it that does not depend on sponsorship. It stands meriting that attention which so many speakers on this side of the House have drawn to the attention of the Solicitor General, obviously without effect. I, of course, tonight do not stand here to represent anyone. I do not pretend to represent anyone on this issue, but I do want to say in these dying minutes of this long-drawn-out debate, which started many years ago when the Honourable John MacBeth was the Solicitor General in the province—and that goes back some considerable period of time—that it has been a failing on our part that we have been unable to persuade the Solicitor General of the merit of our position.

I want to say to him with a considerable degree of sadness that the bill he is determined to pass in the assembly, which precludes the kind of independent review and the various variations of that have been spoken to on many occasions, will not solve in the riding that I represent any of the instances that are of concern to me or any of the occasions of police brutality which over the years either I have observed or I have been aware of and in an anecdotal way could relate to the House; nor will it allay any of the concerns and bring to the attention of either the complaints commissioner or the police the kind of excess of authority, and in many cases excess of use of force, by members of the Toronto police force.

I do not pretend for one moment that in a police force of the size of that in Metropolitan Toronto that there will not be excess use of force. When you recognize that it is the citizens of Toronto who have delegated to that police force the use of authority and the use of force, then it is not unreasonable to expect that there would be some accountability directly to an independent civilian review board.

As an example of the kind of instance that I draw to the attention of the Solicitor General—I do not know whether he has read it—is that of

Dr. Philip Berger, who appeared on his own behalf, and not on behalf of the South Riverdale Community Health Centre. He put before the committee that heard the proceedings of this bill, the kind of instances where people who were making allegations with respect to the police did not take the trouble, because of the failure to provide a civilian review, to report those matters. I am quite certain they did not take the trouble because they knew that there was no avenue for those complaints to have been adequately dealt with in an independent way and before an independent body. The result, and Dr. Berger underlined it, is that those people will not, under this bill, come forward to register their complaints.

I do not say, and I do not know, where all those people came from, but I am quite certain some of them came from the kind of riding I represent in this assembly. They also say it will never satisfy the concern any citizen may have with respect to high speed police chases. There is no place to file a complaint and have a review of the adequacy of the rules and regulations governing high-speed police chases.

My riding, by accident of time and so on, has been subjected quite recently to two cases where there have been such allegations, and an earlier case which the Solicitor General knows about. If he does not know about it, his deputy certainly knows about it.

It will do nothing to solve what happens in my riding. It will do nothing to solve the situation where the police cruiser spots the young person across the street, pulls up to the curb and beckons that person to come across to the car. The person comes across to the car, the door is opened and the police officer says: "Get in young man. I want to ask you some questions." He gets into the car and answers the questions. He does not know and he does not understand that his rights have been affected by the excess of authority of that police officer.

When he has learned whatever his rights may be in those circumstances, he has no place to go and make a complaint that will ever be dealt with, because the Solicitor General knows as well as I do that, while it is the duty of every citizen to co-operate with the police, there is no need for a citizen to answer questions if he does not choose to do so without adequate representation. There is certainly no right of the police to require him to get inside the police cruiser to be subjected to some interrogation.

The bill will not deal with that kind of situation. It will not even come close to dealing

with it. Nor will it come close to dealing with the situation where I got a telephone call on a Good Friday not so very long ago, when I was asked, not would I come, but what could I do about the fact that her son had been asked on Easter Sunday morning to appear at the police station along with a number of friends. She just wanted to ask me, as the mother of one of the children who was called up to the police station a couple of days later, what she should do about it.

I said I thought I would drop by on Easter Sunday morning. I was not doing anything before church. Of course, this was south of the Danforth and does not happen north of the Danforth or north of Bloor Street. I went down to the police station on Easter Sunday morning and there were half a dozen young people, children ranging in ages from probably six to 13, about to be questioned by the police.

I happened to be there and I said I would like to have an opportunity to explain to them what their position was. I emphasized they should co-operate with the police but, if they chose not to answer any of their questions, perhaps then they could leave the police station. They made the proper choice. We left the police station that morning and they were not questioned.

This bill will do nothing about that. The parents of those children will not register a complaint. They have no place to go and say, "Is this the proper way these matters should be dealt with?" The reason they will not be able to go, of course, is that they will go to the public complaints commissioner. The complaint will be filed with the police. Thirty days later some answer will be given that it was in the course of the execution by the police officers of their right to make an investigation.

Those kinds of petty infractions of authority, and in many cases the excess use of force in connection with that authority, are the kinds of concerns I have in the area I represent. I say to the minister in all sadness that the procedure which he has adopted and which by a process of—I cannot call it evolution—of exhaustion has drained any public interest or concern is the wrong way to proceed.

I know nothing about what will happen ultimately in the future, but I do want to say to the Solicitor General that he is making a serious mistake in not adopting the substance of the amendment which is before the assembly now and which, of course, has been the main issue in dispute both under this bill and under the preceding bill.

10 p.m.

It is that kind of attitude which I do not believe the Solicitor General will ever comprehend. But I am saying that this bill will not change in one single aspect the relationship between the people in the riding of Riverdale and the police. Whatever that relationship may be, good or bad at different times and on different occasions, very seldom will any citizen in Riverdale decide that this bill is worth his time and trouble to go and register a complaint.

That is the sadness of it, that is the tragedy of it and that is, I expect, the serious flaw in the minister's bill. And I wanted to have this opportunity, finally, in the dying days of the debate, to register that concern with him.

Mr. Martel: Mr. Chairman, I hope my colleague has reached the minister, because the minister knows that during his years as Solicitor General I have constantly supported the regional police force in Sudbury and have worked with the minister in, I think, an effective way to bring some harmony to that area. So I do not speak in a cavalier fashion or out of animosity towards the police at all, and I think the Solicitor General is well aware of that.

Before I make my comments, though, let me say that as I sat in my office tonight and heard the member for Hamilton Centre (Ms. Copps) and subsequently the member for Yorkview (Mr. Spensieri) speak, I was taken back to the days of Alf Stong, when the Liberals supported this bill in its entirety. And for sheer hypocrisy they have outdone themselves again. Had it not been for the former member from St. George, who forced that caucus to change their position, they would have supported the bill.

I want to tell you, Mr. Chairman, that when they stand up there one after another in a pompous fashion and deride my party, I have to look at them and say, "A pox on your house; you supported the bill in its entirety in the beginning." It is a sham when they try to create the impression that they are really concerned now.

Let me get back to the minister. Let me say to the minister that I think most of us, if we do not fear the police, feel a bit intimidated when they wheel up behind us. I want to relate an incident that happened to me last winter on leaving the Legislature and returning to my apartment. I had a left headlight out, and it was a terrible night and a driving snowstorm. So I put my high beam on so that no one would run into me because my low beam was out. And a policeman followed me right into the basement.

I simply tried to explain to him that I did that to protect not only oncoming cars but also

myself. The language that was used was totally abusive; he could not care and did not want to hear about my problem. I nearly wrote the police commissioner, but I thought: "What is the sense? It would appear as though I am dredging up some silly thing." But I found it offensive that I, as a member of the Legislature—and I do not think that I am any different from anyone else—have a problem, try to explain it in a rational fashion, and some guy 24 or 25 just starts to cut me down. For what?

I want to draw the minister's attention to it, because I think what happens, and the problem with the bill as it stands, is that if you are on the police force you are so close to the force that you cannot see the forest for the trees.

This past summer the police association in Sudbury contacted my office. There was a young lady who was in records, which I am told is a sensitive area of police work, and she was dismissed. She was a probationary employee and therefore her group could not appeal her dismissal, but I am told by the police officers who contacted me she was an outstanding person doing an outstanding job.

She had a little indiscretion, however. She had a boyfriend who was picked up for a drug offence. She was asked by the boyfriend to appear as a character witness on his behalf. The RCMP saw her there, reported it to the police chief and the chief dismissed her. By the way, the young man was cleared. The court threw it out, no probation, nothing. She was fired, guilty by association.

I went to the police commission and I said to Harold Beaudry, "There is something wrong that a young woman with a good work record, who appears as a character witness, is the one dismissed." He phoned the chief and the chief and I met. He reviewed the case and he finally said, "She is still fired." I went back to my office and I phoned my friend the member for Riverdale (Mr. Renwick) and I said: "Jim, there is something wrong. There really is. This young woman appears as a character witness, she has a sensitive job, but surely you do not dismiss her, particularly when the young man was cleared of the offence."

My friend counselled me to pursue it and I wrote a lengthy letter to the police commission pointing all this out. There was a hearing ultimately and, to the credit of the police commission, they overturned the decision of the police chief, but you could not—and I say it with the greatest of respect to my friend—convince the police chief that the woman was entitled to

retain her job. Perhaps it was an indiscretion on her part to appear as a character witness, I am not sure. I suppose most of us under those circumstances might have. But we could not budge the police chief and part of the reason is he is too close to the forest to see the trees.

I think that is what is wrong and that is our concern. In my own case, I had a young policeman railing away at me after we leave the Legislature late at night. You try to explain to him, but he does not want to hear it. What is going to happen to people who are immigrants in our society who know that if you go to the police chief—if the same sort of response is given here as was given to a member of that police force by the police chief—they do not have a hope in hell? They really have not.

The best way to approach it is through someone who is not only obviously and totally separated from the police force, but appears to be independent of any association with that police force. How the Solicitor General can take the position he does bothers me, because if he wants it to work, if he wants people to feel free to go to the police, you are not going to go to someone you have some fear or trepidation of. As I say, we all do. I would like to know anyone here who does not get a terrible concern when some police officer wheels up behind him.

I remember the former Minister of Natural Resources, Jimmy Auld, telling the story where he was driving off to speak at a meeting one evening and he was stopped by the police. He said to the police officer: "Now, officer, I am really in a hurry. I have to make this speech in a little while." The police officer said, "I am writing as quickly as I can, Mr. Minister." Most people do not have that sort of rapport. Most people have some sort of trepidation. I am not sure it is good, but certainly it is there among all of us.

I have known the Solicitor General all these years. He is a man who is considered the toughest guy on the block—he even had the toughest dog on the block, I am told—so I suspect he is not going to change his mind, because he has dug in his heels and that would be kotowing to some request by the opposition and that would appear to be capitulating. The minister is not of the ilk to do that sort of thing.

10:10 p.m.

But I would urge him to reconsider and I say that on the basis—and the minister knows me well—that I have worked for the police. I have not made wild allegations about them, and I do not intend to. It is a tough job. I suppose it is one

of the toughest jobs in our society, and if there is anything we should be attempting to do it is to get the police to have a better rapport with the public so there is a better working relationship between the police and the ordinary citizen.

That is not there, partly because of the fear we have and partly because of the things people read. We should be doing everything in our power to improve that sort of relationship. One of the ways we could do it—and many of us over here see this as the gut of the bill—is to make sure there is a totally independent review by people who are not on the police force but are totally citizen oriented.

I would ask the minister to reconsider his position, not to be so intransigent for a change, and to demonstrate a capacity to hear what the opposition is asking. I do not think we are asking for the world. We are certainly asking the minister to make a fundamental change that we think would make the bill a lot more acceptable, not only to the members on this side of the House but also to a lot of the community groups affected by this bill.

Mr. Chairman: I would like to remind the members it is my understanding we have a stacked vote beginning at 15 minutes after the hour. Are there any further members who wish to speak on this amendment? The member for Oakwood.

Mr. Grande: Mr. Chairman, I am going to be very brief. However, I feel I should put on the record certain feelings I have about this legislation. I want the Solicitor General to understand, and I am sure he does, that minorities in Metropolitan Toronto are a majority of Metropolitan Toronto as it exists at present.

Metropolitan Toronto is made up of approximately 55 per cent of people who are minorities here. Therefore, to suggest that the minorities who have made their positions known to the minister through the committee have no say whatsoever in terms of this bill, as far as I am concerned, is for the Solicitor General and the government not to be taking into consideration the reality that exists out there.

During election campaigns, the Solicitor General and the Premier of this government really court the minorities in this province, especially in Metropolitan Toronto. As a matter of fact, I have heard from the Jamaican community, which makes up between 10 and 15 per cent of the electorate in my riding, a lot about the Solicitor General being a friend of that particular community. What I say to people is, "Why shouldn't he be a friend of that community, after

all?"

May I suggest to the minister that with this action and this bill, he and the government are showing in no uncertain terms what value the input from that community has to this government. This government considers those community groups, visible minorities or ethnic groups, to be peripheral to the structure and the power of Ontario. They are peripheral to the whole thing. Sure, you can talk to them and you can go to their dinner dances, but when it comes down to real terms where their needs are put into legislation in this province, you bow out and leave them standing there. Within the next three years you will try to do your political patchwork.

This is nothing but legislation to develop trust in the community in Metropolitan Toronto, a trust which should exist between the police

forces and the residents.

On motion by Mr. Grande, the debate was adjourned.

POWER CORPORATION AMENDMENT ACT (concluded)

The committee divided on Mr. MacDonald's amendment to section 2 of Bill 141, which was negatived on the following vote:

Ayes 37; nays 62.

Section 2 agreed to.

Bill 141 reported.

On motion by Hon. Mr. Wells, the committee of the whole House reported one bill without amendment.

The House adjourned at 10:29 p.m.

CONTENTS

Tuesday, October 27, 1981

Committee of the whole House

Power Corporation Amendment Act, Bill 141, Mr. Welch, reported.	2934
Metropolitan Police Force Complaints Project Act, Bill 68, Mr. McMurtry, adjourned . . .	2913
Adjournment.	2934

SPEAKERS IN THIS ISSUE

Bryden, M. H. (Beaches-Woodbine NDP)
 Copps, S. M. (Hamilton Centre L)
 Cousens, D.; Deputy Chairman (York Centre PC)
 Cureatz, S. L.; Chairman (Durham East PC)
 Elston, M. J. (Huron-Bruce L)
 Fish, S. A. (St. George PC)
 Gillies, P. A. (Brantford PC)
 Grande, T. (Oakwood NDP)
 Laughren, F. (Nickel Belt NDP)
 Mackenzie, R. W. (Hamilton East NDP)
 Martel, E. W. (Sudbury East NDP)
 McMurtry, Hon. R. R.; Attorney General and Solicitor General (Eglinton PC)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 Renwick, J. A. (Riverdale NDP)
 Roy, A. J. (Ottawa East L)
 Shymko, Y. R. (High Park-Swansea PC)
 Spensieri, M. A. (Yorkview L)



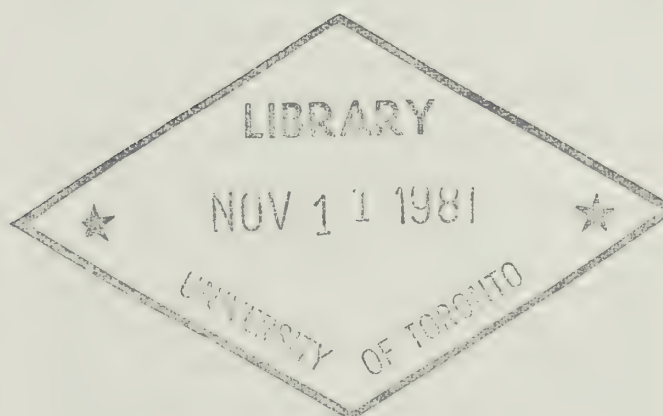
Ontario

LEGISLATIVE ASSEMBLY

No. 82

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Thursday, October 29, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Thursday, October 29, 1981

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

WHITCHURCH-STOUFFVILLE WATER QUALITY

Hon. Mr. Norton: Mr. Speaker, as the honourable members know there is considerable concern in Whitchurch-Stouffville about the operation and proposed expansion of the York sanitation landfill site in that community. My ministry has been conducting extensive samplings since 1976 involving more than 18,000 analyses of more than 1,600 samples from on-site observation wells, private wells adjacent to the site and the municipal water supply. The results indicate clearly that no significant contaminants are escaping from the site.

Unfortunately, the evidence from this substantial monitoring is apparently not sufficient to allay the concerns of the citizens now organized in opposition to this landfill. As members are probably aware the group has taken independent samples from five locations in the community and released information on analysis for total organic halides conducted by an independent laboratory.

This is an indicator test, which provides no specific information on any compounds, toxic or innocuous, that may be present. We prefer in situations like this to deal with specifics so that we can deal with any problems that may be detected.

So far the citizens have refused to name their laboratory. Therefore, we cannot check on the methodology used in the analysis. As a result, our scientists find it difficult to assess the data they have produced. However, we have begun regular sampling of those five locations in addition to those we are already sampling on a regular basis. These locations, which are four private wells and the Stouffville municipal supply, were sampled on October 19 and analysed by ministry staff for volatile organohalides, PCBs, hexachlorobenzene, organochlorine and organophosphorus pesticides, triazines and dioxin.

All of these samples were taken to the limits of detection using the best technology now

available in North America. No traces of pesticides, PCBs, hexachlorobenzene, triazines or dioxin were found in any of the drinking waters. All drinking water samples were free of volatile organohalides with the exception of the chlorinated municipal water supply which, as expected, contained the low levels of trihalomethanes commonly found in chlorinated drinking water.

The ministry's analyses covered the full spectrum of organohalides from the nonvolatile pesticides to the very volatile haloforms and results confirmed these compounds are not present in private wells tested by the local residents group.

Two water quality problems were detected unrelated to the landfill. One private well supply located downhill from a barn showed a nitrate level above the provincial drinking water objective from sources on the farm. Other wells tested for five years between this farm and the landfill site had no nitrate problems. The York Regional Medical Officer of Health has been advised of this result. The well is being retested by the local health unit and they will advise the owners on the safe use of the water.

Another of the private well supplies which is located at a main road intersection contained a high concentration of chlorides from road salting. The level measured indicates there could be taste problems. However, the resident said he had experienced no problem with that water supply.

I regret that some members of this community have been led to question the validity of our sampling and analysis. However, I am prepared to do anything in my power to remove the least doubt from their minds and assure them their interests are well protected by my ministry.

To this end I have made an offer to the area municipality of Whitchurch-Stouffville. I have invited them to appoint an expert of their choice to accompany my staff on a sampling program, to accompany the samples to our laboratory and to witness impartially the analysis of these samples and the resulting data. It goes without saying we will make all information from this ongoing sampling available on a continuing basis in accordance with our normal practices.

Apart from continuing monitoring activity, there are some decisions to be taken on this landfill operation. There is a request for expanded use of additional landfill capacity on the site. The Environmental Assessment Board is considering the information dealt with in recent public hearings and is preparing recommendations for the director of environmental approvals in my ministry.

There is also the renewal of the certificate of approval for the existing operation. This certificate expires October 30. At this stage I have no evidence which justifies withdrawal of approval from the existing site operations. At the same time I recognize there is considerable concern about the site within the community and I do not want to issue any long-term approval without the best possible assurance that community health is fully protected.

Therefore the ministry is issuing a 90-day interim certificate of approval for the existing operations on the site. When the members receive copies of this statement, they will find attached the conditions of approval for this temporary certificate. Quite simply, my intention is to provide continuing protection through those conditions of the present certificate which are still valid, and to provide for action if our intensive sampling program does show any migration of a hazardous contaminant.

During the 90-day term of this certificate, we will continue to evaluate fully all available ground water data to determine whether there is any cause for concern.

While extensive testing indicates clearly that no hazardous contaminants are migrating from the landfill site, we want to be absolutely certain that local water supplies continue to be safe and that the concerns of the area residents can be answered.

2:10 p.m.

INTEREST RATES

Mr. Mancini: Mr. Speaker, I regret that I have to rise on a point of privilege today to criticize the Premier (Mr. Davis) for not responding to a letter I directed to his office, dated January 28, 1981.

My office made several phone calls to the Premier's office after Labour Day, inquiring why he had not responded to my letter of July 28, which dealt with interest rates. We were given several different reasons as to why the Premier would not respond. Finally, on October 26 we were informed by Mr. Ferdinand that the Premier was not going to respond to my letter

because it was an open letter. Surely the members of this Legislature have a right to inform the people of Ontario as to what activity—

Hon. Mr. Henderson: Why don't you send it to Trudeau. That's where it should go.

Mr. Speaker: Order, order.

Mr. Mancini: —we are undertaking in this House. We have a right to find out why he is not making an attempt to assist farmers, home owners—

Mr. Speaker: Order. Your privileges have not been abused.

Mr. Mancini: Mr. Speaker, surely as members we should have the right to direct—

Mr. Speaker: Order, order.

Mr. Mancini: Mr. Speaker, surely those rights cannot—

Mr. Speaker: Order, order. Will the member resume his seat, please.

If you are not going to resume your seat—

Mr. Smith: The Premier has answered open letters in the past. That is for sure.

Mr. Mancini: I do not know why I cannot get my letters answered, Mr. Speaker.

Mr. Speaker: That is not any concern of mine.

Mr. Mancini: It should be.

Mr. Speaker: With all respect, it is not.

Mr. Mancini: It should be.

USE OF DEPO-PROVERA

Hon. Mr. Drea: Mr. Speaker, in June last year, my predecessor informed this House of his decision to launch a full review of the use of the drug Depo-Provera within Ontario's facilities for the mentally retarded.

Depo-Provera is an injectable synthetic progesterone, which has been used since 1964 in some of Ontario's facilities for the mentally retarded to suppress menstruation in severely and profoundly retarded women where personal hygiene represents a significant problem. The drug has been used only in selected cases under the direction and supervision of medical staff.

The review was commissioned by the Minister of Community and Social Services as a result of concerns raised in this House and in the media about reports linking various adverse reactions to the use of the drug. Completion of this review has been delayed because of the need for more research than originally thought and because of the illness of the chief investiga-

tor, Dr. Donald Zarfes, professor of psychiatry and paediatrics at the University of Western Ontario.

I would like to inform the House today that Dr. Zarfes's report, entitled *The Utilization of Depo-Provera in the Ontario Government Facilities for the Mentally Retarded: A Pilot Project*, has now been received and reviewed by myself and my senior staff. It is my decision, based on this review, to accept all the recommendations in this report, and I have directed my staff to begin implementation as soon as possible.

As a first step I have asked that the author, Dr. Zarfes, meet with doctors in our facilities for the mentally retarded to discuss the report's findings and recommendations. This is being done at the moment. I have also directed that a copy of the report be forwarded to the Health Protection Branch, Department of National Health and Welfare in Ottawa.

Due to the relatively small sample size of Dr. Zarfes's study and the inconclusiveness of the report's findings, I am requesting that federal authorities carry out further research in this area.

Since the report deals with highly technical matters and the results are somewhat inconclusive, I have arranged for the author of the report, Dr. Zarfes, to join me in the media studio at the conclusion of question period to answer any questions about this report. Copies of the report will be available there or can be obtained by contacting my ministry.

DAY CARE

Hon. Mr. Drea: Mr. Speaker, I have been trying for a number of days to answer a question that was asked of me by the member for Scarborough West (Mr. R. F. Johnston) on October 19, and decided that this may be the most appropriate manner.

I wish to advise the House today on the status of a series of day care initiatives announced by my ministry last December. In the process, I want to remind members that the province enjoys the best and broadest day care system in Canada and that there is a clear-cut commitment to expand and enhance the network of formal and informal care.

This statement is necessitated by a number of questions raised in this House only last week—long on speculation but short on fact—that may have left members and the public with an inaccurate understanding of the status quo.

Ten months ago my predecessor announced we were providing an additional 30 per cent in

the provincial commitment to day care in the current fiscal year to enable expansion of subsidized spaces and enhancement of different types of day care arrangements. These commitments are being kept, and I would now like to describe briefly the progress to date of each.

Of the approximately \$10 million in initiatives announced last December, \$3.75 million was allocated to provide for 1,500 subsidized spaces in licensed or unlicensed day nursery programs. Those funds are flowing and have been since the beginning of the fiscal year. We also announced that \$430,000 were being provided to expand day nursery services for handicapped children. We are now consulting with district working groups across the province and this process of identifying needs and establishing priorities will allow us to subsidize spaces where they are most needed.

An additional \$1.4 million was provided to enable development of demonstration and pilot projects at the local level. These projects ranged from private home care programs to informal care pilot projects and family group care demonstration proposals. Guidelines were developed and distributed with respect to these projects and our area offices are currently receiving and reviewing proposals. We wanted to give all concerned groups and individuals an opportunity to prepare proposals and this has been done. We will shortly be in a position to evaluate all proposals on a comparative basis and begin the allocation of funds.

We do not intend to rush into these matters without giving all citizens the opportunity to come to us with proposals and projects. The same holds true for the \$1.3 million we will be providing in capital assistance and operating costs for nonprofit day care programs operated by parent-boards or employee-employer organizations. Again, guidelines had to be developed. These have been completed, following extensive consultation, and we will shortly be receiving proposals and selecting projects.

Last year's announcement also provided for an additional \$2.4 million to help municipalities deal with inequities in funding subsidized spaces in private day care centres. As of today, more than \$1.4 million of that money has been allocated. Other initiatives contained in the day care package, such as the development of a service plan for Metro Toronto and Ottawa-Carleton and a rationalization of subsidy levels among all municipalities, are well under way, consistent with a pace that ensures proper planning and consultation.

The final initiative, an \$850,000 public education program, is now in the research and development stage. I might add that, in a question he asked, the honourable member recently accused us of planning a \$750,000 television campaign as a component of this particular initiative. I do not know where he got his information, but an expensive television advertising campaign has never been considered in this regard and will not be done.

While I am on the subject of misinformation, I want to clear up some confusion. The honourable member implied that Metro Toronto, which provided spaces for 20 handicapped children this year, has yet, to use his phrase, to receive one red cent from my ministry to enable this program to proceed. That is grossly inaccurate. In fact, we provided by September 30 more than seven million red cents, pennies or coppers, for a total of more than \$70,000. In addition, we are working with Metro Toronto to provide for an additional eight spaces for handicapped children. I would think this would set straight the record regarding our \$10 million in day care initiatives. Every initiative is under way—some more advanced than others.

PLANNING LEGISLATION

Hon. Mr. Bennett: Mr. Speaker, it gives me great pleasure, after many years, to introduce the first reading of a new planning act for Ontario. This new act is the culmination of an extensive review of planning in Ontario that has involved repeated consultation with municipalities and various other organizations and the submission of briefs and comments on three separate occasions.

The review began in 1975 with the appointment by the former Minister of Housing, Don Irvine, of the Planning Act Review Committee, chaired by Professor Eli Comay of York University. This external committee undertook a complete study of Ontario's planning legislation and practices and sought submissions from municipalities, planning boards and other organizations. During this process, more than 75 meetings were held with municipal bodies and interested groups across the province.

The committee's report, published in June 1977, was distributed widely throughout the province and more than 350 submissions were received and evaluated by my ministry. On the basis of the responses to the PARC report and my ministry's own studies, the white paper on the Planning Act was published in May 1979. The white paper was sent to municipalities and

other organizations involved in planning and was followed by the publication of a proposed new planning act for Ontario in December 1979.
2:20 p.m.

The draft act was also distributed for public comment. More than 350 submissions from municipalities, planning agencies, conservation authorities, school boards and private interest groups were received and evaluated by my ministry.

Revisions were made to the draft act and the act being introduced today is the culmination of the total review process. We have found, from this wide-ranging review of the act, that many sections of the existing planning legislation are working well even though the current act is some 35 years old. As a result many of its previous provisions reappear in the new act. However there are several important changes and these are outlined in the briefing material accompanying the bill.

The repeated participation in the preparation of this act by municipalities, planners, lawyers and special interest groups has been unprecedented. As a result we believe the new act retains the time-proven features of the existing legislation which are still working well, while introducing new provisions which will have been well thought out by the various committees. And we think it goes a long way towards achieving this government's objective of giving municipalities as much planning authority and decision-making as possible.

This new act clearly demonstrates this government's commitment to deregulation and to the strengthening of the role of local government in Ontario.

In conclusion, Mr. Speaker, I would like to acknowledge the contributions of my predecessors, the honourable Don Irvine and the late John Rhodes, who initiated and gave direction to the review of planning in Ontario. I think we should also extend our thanks to the municipal associations and to all those who participated in the process by submitting briefs and comments throughout the review.

Special thanks must go to my ministry staff, particularly our legal counsel. I also would like to point to two individuals—Mr. Keith Bain and Milt Farrow—from the planning policy branch of the community planning wing of the ministry. They devoted much time and effort to the entire planning review and developed this very important new legislation for our province.

Finally, Mr. Speaker, I want to extend my appreciation to Wojciech Wronski, the assistant

deputy minister of community planning in the Ministry of Municipal Affairs and Housing for his leadership in the preparation of the new planning act. I would also extend appreciation for his seven and a half years of service in our ministry directly to the people of the province. I am sure most people know Mr. Wronski will be retiring from the ministry shortly. He has made a very important contribution to community planning in this great province. I want to wish Mr. Wronski well in his future endeavours in his retirement.

Later this afternoon I shall be introducing bills relating to the Barrie-Innisfil annexation, the Municipal Licensing Act and the Municipal Conflict of Interest Act which have been in the process of development for some years. Thank you, Mr. Speaker.

NIAGARA RIVER POLLUTION

Mr. Kerrio: Mr. Speaker, I have a point of privilege, really to correct the record, and I think it might be understandable when I read the problem.

I raised a question with the Minister of the Environment (Mr. Norton) relating Niagara River pollution concerns of mine particularly to the Hyde Park dump which contains a great amount of dioxin. I pointed out that representatives of the ministry did not involve themselves in this hearing nor did they fund anyone who was over there acting on behalf of all the citizens of Canada and Ontario.

I will not read the total answer the minister gave me but one point is very appropriate and should be read into the record. The minister's response ended by saying, "It is true we did not provide funding to any intervention group but we have offered technical assistance and have done so, I understand from my staff, on more than one occasion. To date, to the best of my knowledge, the offer of technical assistance has not been taken up by the participating agencies who are intervening. That offer still stands and we have staff available to assist them if they wish to take advantage of the expertise of our staff."

We were dealing particularly with Pollution Probe out of the University of Toronto and I must read this letter into the record— it is very short. It is dated July 27, 1981, and directed to the minister:

"Dear Mr. Norton:

"I am writing to you in order to clear up some of the confusion arising out of my original request to your ministry for support in our legal action on the Hyde Park landfill site. The

degree of our concern over Hyde Park has intensified over the last two months during which time we have spent considerable effort studying the settlement agreement and its implications for the Niagara River and Lake Ontario. Because of our concern and the problems that we anticipate in the future, we are still anxious to have your support and your goodwill in our endeavours.

"However, we have had conflicting signals on the extent to which your ministry will co-operate with us on this particular issue. First of all, despite a verbal commitment on the phone from Janet Ecker indicating that the ministry would give us selective help and that a letter would be forthcoming, no reply to my letter has ever arrived.

"Secondly, support that was promised by certain individuals never materialized. For example, a legal opinion on certain aspects of the agreement and a letter detailing the Mirex contamination of Lake Ontario fish were both promised but never delivered, nor was any explanation ever offered to us why this information failed to arrive.

"Thirdly, although we were advised to solicit help from the Stoney Creek offices of the ministry the technical expertise that we needed in hydrology, biology and law were not available from those offices.

"Therefore, I feel that you should be aware that although your intention seems to have been to help us in this difficult case, no support ever materialized from the Ministry of the Environment, much to our disappointment.

"I would not like to close the door on the possibility of future co-operation between your ministry and Pollution Probe. I cannot stress forcefully enough how complex and serious the pollution problems emanating from the American side of the Niagara River are, and as Canadians we should all be working to muster as much strength as we possibly can to convince the United States that cleaning up the Niagara River must be given the highest priority, particularly in negotiating these settlement agreements.

"Although I realize that you may have heavy demands on your time I would like to request a meeting with you in the near future to discuss the Niagara River situation in general and the Hyde Park dilemma in particular. A meeting would be the most appropriate means for conveying the technical and legal complexities of the Niagara problem. I will be phoning you within the next week or so to see if you are available and willing to attend such a meeting."

It is signed by Anne Wordsworth, who is from Pollution Probe. I have been advised that no such meeting has been arranged.

Mr. Speaker, you must realize the gravity of the situation. I would appeal to the minister that if he intends to clean up the very serious pollution of our Niagara River we are going to need all the help we can get. I think organizations like Pollution Probe that give so unstintingly of their time and effort should be encouraged and indeed helped considerably by the ministry.

Hon. Mr. Norton: Mr. Speaker, I do not offhand recall having seen the letter the honourable member has read into the record. I will certainly check to see if it was received in my office.

I also would advise him there was, as I think the letter confirms, a communication with respect to offering technical assistance. I was not aware that in the opinion of Pollution Probe this assistance had not been provided. It was my understanding there would have been a lack of follow-up on the part of Pollution Probe. But I assure the member I will check into that with the staff who were engaged in that communication.

ROYAL WINTER FAIR

Mr. Riddell: On a point of order, Mr. Speaker: Public funds are used to provide information to the people of Ontario about events that are either sponsored or partially assisted by this government. Therefore I think it is regrettable that in this release put out by the Ministry of Industry and Tourism entitled "The Royal—World's Biggest Indoor Agriganza," the Queen's Guineas 4-H Competition was not given any mention, even though it is the highlight of the Royal Winter Fair.

Interjections.

Mr. Speaker: Order. Order.

ASSISTANCE TO POLISH PEOPLE

Hon. Mr. Baetz: Mr. Speaker, earlier this week in response to questions the Premier said a statement would be forthcoming on our government's stance on the question of Polish self-exiles. In meeting this commitment, and in order to provide this House with the most up-to-date and accurate report possible, I have personally contacted during the last 48 hours Mr. Paul Hartling, United Nations High Commissioner for Refugees in Geneva; the Honourable Lloyd Axworthy, Minister of Employment

and Immigration, Ottawa; the League of Red Cross Societies in Geneva; the Austrian Red Cross; and the Canadian Red Cross.

From these contacts the story emerges in the following way: A large number of Polish citizens have left their homeland during the past year because of political and social unrest in their country. I am told that in the last few months alone Polish authorities have issued 285,000 exit permits. Although the self-exiles have moved to many countries in Western Europe, by far the largest group has gone to Austria. The Ministry of the Interior of Austria has made no attempt to block the flow into that country and is not planning a change in that policy.

2:30 p.m.

Many of the Polish citizens who have gone to Austria have been able to support themselves, either with reserves they took with them from Poland or by finding employment. Those who have not been able to sustain themselves have been accepted into settlement camps. It is estimated that at this moment there are about 18,000 Polish men, women and children in those camps, with the largest number in Camp Traiskirchen.

For a number of reasons these self-exiles are not regarded as bona fide refugees and do not fall within the mandate of the United Nations High Commissioner for Refugees. Included in these reasons are that they have left Poland on exit permits and of their own volition. It is also generally thought by close observers that they could return to Poland without fear of reprisal.

The Austrian Red Cross has confined its activities to assisting individuals outside camps with food, clothing and small cash grants. I think it is very important to point out that the people who have come out of Poland have come out in good health and that, up to this moment at least, there have been no requests for international material assistance in this situation from either the Austrian government or the Austrian Red Cross Society.

As members know, in the past the government of Ontario generally has supplied material assistance through the International Red Cross, but this government has always supplied such assistance in response to a request. In keeping with that policy, we will not offer material aid in this situation unless or until we have had a request.

While there have been no requests for international material assistance, the government of Austria has asked other countries to allow Polish citizens staying in that country to reset-

tle. So far, only Canada and West Germany have responded positively. I think Canada's response is very much in keeping with this country's humane record in this field.

Last summer the federal Minister of Employment and Immigration increased the quota of government-assisted East European refugees who would be admitted to Canada in 1981 to 5,000 from 4,000. Most of this increased quota is being filled by Polish self-exiles living in Austria. On Tuesday of this week the minister announced substantial new initiatives that would accommodate the immigration of Polish self-exiles to Canada. Among these initiatives, I think one of the most important is a provision that would encourage greater family reunification of Polish self-exiles, as well as Poles still living in Poland, with their relatives here in Canada.

The honourable members will remember it is the government of Canada, and not the province, that is responsible for establishing how many immigrants will be admitted to this country and for processing their applications. It is only after those immigrants arrive that our provincial settlement services begin.

When the government of Ontario was approached by the government of Canada to help with the reception and settlement of people from Poland my colleague the Minister of Intergovernmental Affairs (Mr. Wells) stated in reply, "As it has in the past, Ontario will do its share in welcoming all those who choose to come to this province."

It has been our experience that about half the members of any immigrant group to Canada tend to settle in this province. Although it is impossible to estimate precisely how many Polish immigrants conceivably could be coming to Ontario as a result of these new federal measures the potential is in the thousands.

Since 1957 approximately 19,300 people have come to Ontario from Poland. Many of them still have relatives in Poland today. Under federal provisions which open up substantially the sponsorship of members of the extended family there could be significant movement.

The branch of the Ontario government that is responsible for receiving and helping these newcomers to settle is the newcomer services branch of my ministry. We meet new arrivals at Toronto International Airport. At Ontario Welcome House our counsellors, working in the newcomers' own language, help with guidance and referrals to community organization and other agencies. Documents newcomers need for employment or for continuing their educa-

tion are translated free of charge. Language training is made available. We also produce a variety of practical materials designed to help both the newcomers and the volunteers working with them.

In anticipation of an increased flow, we have added to the number of staff with a Polish language capability. We will also be publishing updated print and audio-visual materials that will help the new arrivals become acquainted with life in our province. All of these services are in addition to all provincial government services that are available to all residents of the province.

I think it is vitally important to note that while my staff provides these services to newcomers directly, most of the province's newcomer services are carried forward by the outstanding voluntary agencies in the community with financial assistance from the province. In the past when a major influx of immigrants has placed unusual demands on the services of these voluntary organizations, the government, through my ministry, has made additional resources available. We will continue to monitor the Polish situation closely. Should the need arise, I know that this government will be able to respond in the same humane and effective way.

INTEREST RATES

Mr. Mancini: Mr. Speaker, on a point of privilege: Since the Premier is here, I would like to know why he refuses to answer my question?

Mr. Speaker: Order.

Mr. Mancini: He has no right to block the other members of the House. I think I have a right to have my letters answered.

Mr. Speaker: Will the member for Essex South resume his seat?

DAY CARE

Mr. Cassidy: Mr. Speaker, in the absence of the member for Scarborough West (Mr. R. F. Johnston), I would like to rise on a matter of privilege concerning the statement by the Minister of Community and Social Services (Mr. Drea) accusing the member for Scarborough West of being long on speculation but short on fact with reference to the question of day care.

The facts that the member for Scarborough West brought out in this Legislature on Monday of last week are in fact substantiated in the statement—

Mr. Speaker: Order. Order. That is not a matter of privilege.

TIME FOR STATEMENTS

Mr. Martel: Mr. Speaker, on a point of order: The standing orders on page 18 say, "On days when private members' public business is taken up, except as provided in standing order 63, the time allotted to ministerial statements shall not exceed 30 minutes without agreement from a majority of the members." It now being 23 minutes to the hour, I would suspect that rule is being violated.

Mr. Mancini: We deserve to have our letters answered. What kind of nonsense are you talking about?

Mr. Martel: Will you shut up?

Mr. Speaker: Order. Order.

Mr. Mancini: We deserve to have our letters answered.

Mr. Riddell: Is that parliamentary procedure?

Mr. Speaker: Order. Amateur time continues.

The member for Sudbury East has raised a valid point and he is indeed correct to a point. Nine minutes of the statement time have been taken up by points of privilege and I was extending the period for ministerial statements by nine minutes to compensate for the—

Mr. Roy: Have you been doing the same thing on question period?

Mr. Speaker: Yes, I have.

Mr. Martel: May I ask the Speaker at what time he is starting to add that—from the time of the opening exercise to what time he intends to allow this fiasco to continue?

Mr. Speaker: The time will expire at 2:40 p.m.

Mr. Foulds: Mr. Speaker, on a point of order: I appreciate the ruling you have just given us with regard to extending the time for ministerial statements because of points of order and privilege raised during that time. I assume, therefore, you will consider extending question period when points of privilege and order are raised during question period. I would assume further, in view of the rule that has been established about the half hour with regard to ministerial statements on Thursday, that you will be extending the debate on the private members' matters by the nine minutes you have indicated.

Mr. Speaker: Thank you very much. As I have indicated before, I have always used discretion in extending question period when I have felt time has been unnecessarily taken up.

Mr. Epp: Mr. Speaker, in view of your ruling, and taking into consideration the realities of March 19, you will now give more questions to the official opposition in the Legislature.

Mr. Speaker: Order.

2:40 p.m.

TAX GRANTS FOR SENIORS

Hon. Mr. Ashe: Mr. Speaker, this afternoon I would like to provide to the honourable members a progress report on the processing of 1981 Ontario tax grant applications and the mailing of property tax grant and sales tax grant cheques to seniors.

During the first week of September we fulfilled an earlier commitment and mailed applications for the second instalment of the 1981 property tax grant to all Ontario seniors whom the ministry considered eligible. As of October 22, 493,989 completed property tax grant applications had been accepted by the ministry for processing. Of these, I am now pleased to report that 342,159 have been approved and the cheques mailed to seniors throughout the province.

An additional 88,441 grants have been approved for payment by the ministry and cheques for these households will be issued the week of November 9. The remaining 63,389 applications are presently being processed for payment and cheques will be mailed in due course. As well, on October 5, the Ministry of Revenue mailed out on schedule sales tax grant cheques of \$50 each to some 845,000 eligible senior citizens.

I would like to take this opportunity to express my satisfaction with the delivery of this year's Ontario tax grants for seniors program. We have made the public commitment through the media that a maximum turnaround time of eight weeks is required for application processing before a property tax grant cheque can be mailed. In those instances where the application is filled out correctly, this schedule is being adhered to. Our public information program is paying significant dividends in the form of a reduced error rate in completed applications and a marked decline in the number of public inquiries.

The honourable members will appreciate, however, that in a program of this magnitude and complexity there are bound to be a number of technical difficulties. In this instance, I would specifically acknowledge problems experienced by some seniors who have turned 65 in 1981 and have received an insufficient property tax grant

cheque. This situation was quickly identified by my ministry and corrective measures implemented. Cheques for the full entitlement will be sent out to these people the week of November 9.

Also, the Ministry of Revenue recognizes that some seniors eligible for the property tax grant—

Mr. Speaker: Order. The time for ministerial statements has expired.

ORAL QUESTIONS

ONTARIO ENERGY INVESTMENT

Mr. Smith: Mr. Speaker, I have a very simple question for the Treasurer. How does the government of Ontario or the Ontario Energy Corporation intend to finance the Suncor deal? The Treasurer will recall that Malcolm Rowan, at the time the Premier (Mr. Davis) held his original press conference, said the second \$325 million would be obtained by means of notes from Suncor and that the money needed to repay the notes would be generated from the profits of Suncor, presumably to be taken in the form of dividends.

When I raised the matter the other day and pointed out that such a dividend policy would result in an additional \$300 million a year being channelled south of the border in a company that previously never declared a dividend, the Treasurer said I jumped to conclusions. In fact, he told the *Globe and Mail* that the matter is still up for negotiation and will not necessarily be by notes at the 17 per cent interest rate.

The Treasurer himself said on October 15, 1981, and this is in Hansard: "The second \$325 million will be borrowed through devices as yet to be finalized. I believe the member will find the moneys required to handle that \$325 million may well be generated, hopefully, by dividends or cash flows during the 10-year period."

Would the Treasurer answer in a very straightforward way why he has suggested that the money for the second \$325 million would come from dividends out of Suncor if that is not what is going to happen, and what are the options presently being considered by the government of Ontario to finance the second \$325 million?

Hon. F. S. Miller: Mr. Speaker, I think the statement the honourable Leader of the Opposition read in the latter part of his simple question was basically accurate. I left myself two options, the way I read his comments: "may well be paid by dividends" and "by instruments yet to be negotiated or arranged."

Those statements still apply. The potential for receiving dividends still exists. The fact that dividends have not been paid does not mean that dividends will not be paid. Negotiations are under way, and until they are completed I think it would be inappropriate for me to speculate on the final form of the debt instruments.

Mr. Smith: Since the two options seem to be either dividends or some other debt instrument, would the Treasurer admit that if it does go by way of dividends, in order for Ontario to receive dividends of \$100 million a year, \$300 million a year will flow south of the border out of the company and out of the country, in a company that previously never did dividend its money out for common shares to its parent company south of the border but left the money in this country?

If some other debt instrument is to be chosen will the Treasurer simply admit that it will, via the Ontario Energy Corporation, essentially increase the net cash requirements of the government of Ontario at a time when Ontario Finances, which was just released today I believe, shows that the net cash requirements have already increased to 75 per cent higher than the 1980-81 situation and, in fact, to 47 per cent higher than his own budget?

Hon. F. S. Miller: The Leader of the Opposition is aware that there are provisions to find at least another 26 per cent Canadian content in Suncor. I would assume if that takes place, and it probably will, then at least his calculations are wrong. Assuming that the other 49 per cent remains American held, then at the very worst a dollar of dividends in Canada would be matched by a dollar of dividends in the United States.

The decisions or discussions about whether the dividends are covering the interest costs will be found only after the negotiations are completed some time in November. I point out that when I reviewed his \$2.4 billion cost, which he put forward the other day, I found that he nicely slipped in \$1.3 billion worth of interest on interest in his calculations.

Mr. Cassidy: Supplementary, Mr. Speaker: What instructions does the government intend to give to its nominees on the board of directors of Suncor with respect to the dividend policy of the corporation? Could the Treasurer share with the House in what other ways the government of Ontario's representatives on the Suncor board will seek to have changes made in the corporate policies of the company that will benefit Canadians or Ontarians?

Hon. F. S. Miller: Mr. Speaker, I suspect that both of those questions would best be answered by my colleague here, since once this deal is completed the real management of it will be through the Ministry of Energy, not through Treasury.

Mr. Cassidy: Would you redirect the question to the Minister of Energy, please.

Hon. Mr. Welch: Mr. Speaker, I think as the honourable Treasurer has attempted to emphasize on several occasions here, the dividend policy of this company is to be put in place. The parent company clearly acknowledges that there will have to be a dividend policy in place. It is part of the negotiations that have led to the letter of intent, and it will be finalized in the final documents. There will, in fact, be a dividend policy in so far as Suncor is concerned. As part of that agreement we will, through the Ontario Energy Corporation, have nominees on that particular board and obviously we will be—

Mr. Smith: And the money will flow south of the border.

Hon. Mr. Welch: But not in the totals that the Leader of the Opposition has indicated. My advice is, on the basis of—

Mr. Smith: Well, 75 per cent to Sun Oil and 25 per cent to you. Three times what you get goes there.

2:50 p.m.

Mr. Peterson: Supplementary, Mr. Speaker: I note with some interest that the Suncor profit has fallen to 95 cents a share from \$4.86 for the comparable nine-month period last year. I also note with great interest that the Treasurer's net cash requirements have just gone up 47 per cent higher than projected and roughly 75 per cent higher than a year ago. I also note—

Mr. Speaker: Question?

Mr. Peterson: —with great interest that one of the key advisers in this deal, one of the key economic advisers to this government over a number of years, Mr. Tom Kierans, past chairman of the Ontario Economic Council, a director of the Ontario Energy Corporation just resigned, president of McLeod Young Weir, a leading financial agent to this government and author of the secret study outlining the merits of the Suncor purchase, now says—

Mr. Speaker: Order. I direct the attention of all members to standing order 27(b). Please ask your supplementary.

Mr. Peterson: As the outgoing chairman of the Ontario Economic Council said in his

speech yesterday, public support for nationalist policies such as the new energy and industrial programs would not be supported by Canadians if they knew the cost. Is it because the minister listens to him that he has no bloody idea what is going on and has completed fouled up the economic policy of this province?

Hon. F. S. Miller: No.

Mr. Speaker: The Leader of the Opposition with a new question.

Mr. Peterson: Well, you listened to somebody stupider.

Hon. Mr. Davis: You did not tell him that to his face the other night.

Mr. Peterson: Well, he was buying dinner. I tell you what he is saying is outrageous, absolutely stupid. You know it—

Mr. Speaker: Order. I caution the member for London Centre.

Mr. Peterson: —and you should be embarrassed. This is the stupidest thing you have done.

Mr. Smith: The Premier has now interrupted me to say the member for London Centre did not tell Tom Kierans to his face. He did not know that Kierans was against the nationalistic program until today.

Mr. Speaker: Order. I do not think we are interested in the conversation. Do you have a new question?

Mr. Smith: Oh yes, I certainly do.

MASSEY-FERGUSON LAYOFFS

Mr. Smith: Mr. Speaker, I will ask a question of the Minister of Industry and Tourism. The minister is undoubtedly aware a press release has been issued at the Brantford plant of Massey-Ferguson announcing that 600 hourly-paid employees are being put on indefinite layoff.

Is the minister aware this matter was announced with no advance notice given to the minister himself, nor apparently to the Minister of Labour (Mr. Elgie)? The notice was given only today. The workers have had only one week's notice, contrary to the way indefinite layoffs are supposed to be dealt with.

Does the minister not recall that in the agreement with Massey-Ferguson, where much public money has been used to try to assist that company, the only understanding was there might be temporary layoffs as a result of economic conditions, but there was certainly no understanding at all that indefinite layoffs would be tolerated?

Why is the ministry now saying the layoffs are temporary when they have been announced as indefinite? What is the minister's understanding of the status of these layoffs? How does it jibe with the agreement reached with Massey-Ferguson?

Hon. Mr. Grossman: Mr. Speaker, as we were informed only shortly before the public was informed this morning, we do not have the answers to some of those questions. The ministry is seeking at the present time some clarifications that are necessary under the agreement.

Mr. Smith: I appreciate the brevity of the response of the minister, but may I ask him how it is that even as late as three o'clock today he is still unaware of the nature of this layoff of 600 workers at Massey-Ferguson, a matter of very grave importance indeed?

Can the minister assure this House that either a date will be given for the recall of these workers, and it will be truly a temporary layoff, or, if the matter will be indefinite, it will be seen by the minister to contravene the agreement and action will be taken to rescind certain aspects of that agreement and also to make sure the company complies with the laws of Ontario?

Hon. Mr. Grossman: I would say to the Leader of the Opposition, as I said to the excellent and interested member for Brantford (Mr. Gillies) when he contacted me and we chatted about it extensively this morning, the ministry, unlike it has been pictured by the Leader of the Opposition, knows of the layoffs, and the simple question now is whether in the agreement the definition of "temporary" and the description of "indefinite" are the same or different.

If these layoffs are in violation of the agreement because they are indefinite as opposed to temporary under the definition of "temporary" in the agreement, then I can assure this House and the member for Brantford, as I did earlier today, and the Leader of the Opposition, that every action will be taken to enforce the agreement to its fullest; but it does depend upon the legal definition of the layoffs as described in the agreement versus that described in the press release this morning.

Mr. Mackenzie: Supplementary, Mr. Speaker: Will the minister tell us, inasmuch as many of the latest number of employees to be laid off probably will not even qualify for unemployment insurance and as a result are going to end up on the welfare rolls, whether or not his government is now willing to take a look at the

reconstituting of the plant layoff committee so that we can have things like justification and proper notification of workers involved in plant shutdowns?

Hon. Mr. Grossman: Mr. Speaker, the member would have to ask my colleague the Minister of Labour, and I suspect his answer would be no.

Mr. Nixon: Supplementary, Mr. Speaker: It concerns me that the welfare of the 600 workers laid off seems to be hanging on the legal interpretation of a term in the agreement that the minister has signed with the company when he put forward the large guarantees that enabled it to continue operations. What assurance can he give us, even if it is a temporary layoff or an indefinite one, that all of the provisions for the assistance of the workers that are required under the terms of the agreement will be carried out?

Is he going to depend on legal interpretations of specific words and subclauses in the agreement, or is he going to take some action to safeguard the jobs of those people at Massey-Ferguson and others in Brantford who seem to be in more jeopardy than in other communities of this province?

Hon. Mr. Grossman: Mr. Speaker, I can assure the honourable member, again as I assured the member for Brantford this morning, that every action will be taken within the legal framework of the agreement and outside of the legal framework, in terms of the general undertakings and the spirit of the agreement, to make sure that every protection possible is provided to those workers.

I should add that my staff has been in constant contact with Massey-Ferguson, trying to monitor its success over the last period of time. Obviously Massey-Ferguson, White, International Harvester, everyone in the industry except John Deere, are having a very difficult time, and I can only assure the members of this House that this government will do everything possible to ensure that all of the workers affected in this situation are not only protected by the firm within the context of the agreement, but this government will provide all the assistance possible, through the Ministry of Labour and my ministry, to make sure that is done.

Mr. Sargent: Mr. Speaker, I have two points of privilege. I will get them both in this one point here. Number one, I am concerned about the

fact that you are always trying to take the part of the government in this House. I am concerned about that.

Mr. Speaker: Order. That is not a point of privilege.

Mr. Sargent: I think it is, but I have a point of privilege against the minister here.

Mr. Speaker: I will listen to your second one.

Mr. Sargent: I know the Minister of Industry and Tourism is quite a hotshot now, dealing with Ford and all the big companies, but my point of privilege is that when I have called to speak to him numerous times he has been too busy to return my calls and he has an exec or somebody call me. I know he is a hotshot, but I want some answers.

Mr. Speaker: Order, order. The member for Ottawa Centre with a new question.

Mr. Cassidy: Mr. Speaker, I want to return to the question with the Minister of Industry and Tourism. Since the minister now acknowledges the crisis which has hit the farm implement industry right through southwestern Ontario and since the automobile industry—with both parts producers and car manufacturers in southwestern Ontario—is having similar problems, will the minister say when this government is going to respond to the economic crisis which is now overtaking almost every major community in Ontario west of Hamilton?

Hon. Mr. Grossman: Mr. Speaker, we responded last January, with the Board of Industrial Leadership and Development program.

3 p.m.

Mr. Cassidy: Since there has been no announcement with respect to the auto parts centre, and no announcement with respect to the microelectronic centre proposed for Ottawa and for Cambridge, what are workers who are now being put on the street to do with empty promises that came from a cynical government seeking re-election back in January; which government was prepared to promise the moon at that time but is not now prepared to lift a finger despite all the minister's statements? At a time when workers are going out of work and do not know where their next job is going to come from, when is there going to be action from the government?

Hon. Mr. Grossman: Mr. Speaker, we can go over all the statistics that even the member knows by heart by now because we have given them to him so many times.

In the last two years there have been 307 major new plants or expansions in Ontario, 90 of which, by the way, involved some direct assistance from this government. Does the member not call that assistance to industry? In the auto parts sector, there have been 67 new plants or expansions. He knows there is no government anywhere that has done more.

What do I say to those workers there? I say that in a situation in which the largest industry in this province, the automotive industry—

Mr. Mackenzie: A 40-year con job.

Hon. Mr. Grossman: I know the member for Hamilton East cannot take good news, but he has to listen to it sometimes. I know it is tough to come here and hear good news.

Mr. Speaker: Will the minister address himself to the question.

Interjections.

Hon. Mr. Grossman: Does anyone want the support of the member for Hamilton Centre (Ms. Copps) for leadership? Seriously?

Mr. Speaker: Will the minister address the question of the member for Ottawa Centre please.

Hon. Mr. Grossman: May I say that in a situation in which the largest industry in this province, the automotive industry, is undergoing worldwide stress and is having its worst year ever, for this province to be in a situation where it has over 100,000 new jobs this year; where our unemployment rate remains well below the national average; where our manufacturing investment is very strong this year; where our manufacturing jobs are up over last year, it is an absolutely astonishing record for this government, for this Treasurer and for this Premier, to be able to point to that record—and those people who are going through a difficult time as well—and say that every possible step has been taken by this government in this economic situation to provide literally more job opportunities than any equivalent jurisdiction at this period of time. With BILD, the picture can only get better. No other government has made those kind of forward-looking investments.

Mr. Riddell: Supplementary, Mr. Speaker: I believe the minister was incorrect when he said the auto industry was the largest industry. The agriculture and food industry is the largest industry. I believe he sat in cabinet yesterday when the head of the farmers' organization said that farmers were facing a crisis situation.

Mr. Speaker: Question?

Mr. Riddell: My question to the minister is, in view of the fact that his government can come up with \$10.6 million for a jet for the Premier to fly around in, and can come up with \$3 billion over 10 years to buy a slice of an oil company, knowing that neither of these will lead to the creation of one single job in this province, why can he not convince his cabinet colleagues to find some money to introduce an emergency low interest loan program to help our farmers facing—

Mr. Speaker: Order. Order. Final supplementary, the member for Brantford.

Interjections.

Mr. Speaker: Order. No, it was not a supplementary.

Mr. Gillies: Supplementary, Mr. Speaker: Will the minister follow up on the initiative he took by introducing legislation in this House to assist Massey-Ferguson—legislation that was opposed by the New Democratic Party—by bringing every possible pressure to bear on the federal government in its upcoming budget to do something about the insane interest rates that have led to this crisis in the farm machinery industry?

Mr. Smith: How was that supplementary to the question of the member for Ottawa Centre?

Hon. Mr. Grossman: It dealt with Massey-Ferguson.

Mr. Speaker: Order. Order.

Mr. Smith: That was supplementary to my question, not to that of the member for Ottawa Centre (Mr. Cassidy). His question had nothing to do with Massey.

Mr. Speaker: Order.

Mr. Martel: On a point of order, Mr. Speaker: The practice has been that there is a question from the leadoff or the leader; that individual gets a supplementary; it then goes to the opposition parties, and it goes back to the original party. Once again—having read Hansard for last Friday—I remind members that this matter was disputed last Friday. And here we are again on Thursday going through the same ritual.

Yes, I am afraid that no supplementary has come back here, and the nonsense you have just accepted from the member for Brantford (Mr. Gillies) was not even supplementary to this question; it was supplementary to the previous question; it did not even deal with the matter that was raised. You allowed it to be answered,

and then you allowed the minister to get up—

Mr. Speaker: Order. Order.

Interjections.

Mr. Speaker: Order. Order. I would point out to the member for Sudbury East I did not allow the supplementary. I did call it as a final supplementary. I heard it; it was out of order, the same as the previous one.

Now we will try again.

Interjections.

Mr. Speaker: No. With the member the final—

Mr. Martel: On the point of order: At the same time, Mr. Speaker, you allowed the minister to get up and reply to a question you yourself said was not supplementary.

Hon. Mr. Grossman: He did not allow me.

Mr. Martel: He did. The minister should not give me his nonsense.

Mr. Speaker: Order. I did not recognize the minister; he popped up.

Mr. Martel: You just let him do it.

Mr. Speaker: Order. No, I did not.

Mr. Cooke: Mr. Speaker, my supplementary deals with the original question of the crisis in the southwest. The Treasurer (Mr. F. S. Miller) indicated in the debate we had in this House on interest rates on October 13 that the federal government could do nothing in the short term and that he supported the high interest rate policy in the short term. I would like to ask the Minister of Industry and Tourism what his government can do when he considers that Brantford has a 10 per cent unemployment rate plus the layoffs announced today and that St. Thomas has more than 3,000 layoffs at Ford alone?

Does he realize the repossession rate of homes in Brantford is 94—there have been 94 foreclosures in that city so far—that in Chatham 65 homes that have been repossessed are on the market and five more are coming in each week, that these cities are being hit with high unemployment and high interest rates at the same time, and that—

Interjections.

Mr. Speaker: Order. He asked the minister what the minister was going to do. Now will the minister reply, please?

Mr. Cooke: What the hell does this government want?

Mr. Speaker: Order. Mr. Minister?

Hon. Mr. Grossman: Mr. Speaker, the Treasurer has indicated for some time the devastation that is being wrought by the ill-advised policies of the federal government. He has made no secret of that.

I know even the members opposite understand that the basic problem in this economy is high interest rates, because I have heard their candidate for leader on this subject. They were out campaigning with him in Brantford yesterday; instead of providing solace to the workers they were campaigning for Bob Rae in Brantford. He has been in the House of Commons lecturing the federal government about the insane high interest rate policies and putting the blame squarely where it belongs: on the federal government of this country.

That is their candidate for leader. He understands where the responsibility lies; he understands the reason those people are losing their homes; he understands what the problem is. When he gets to this House—he never will get to this House, but if he did—we would insist he remember what he said when he was in Ottawa, and the members opposite should remember what their candidate stands for.

Mr. Cooke: On a point of privilege, Mr. Speaker: I have no idea where the minister gets his reports from Brantford. I was in Brantford yesterday as the—

Mr. Speaker: Order.

Mr. Cooke: I am clarifying the record.

Mr. Speaker: Please do, but—

Mr. Cooke: So sit down and listen for a change.

Mr. Speaker: I will, indeed.

Interjections.

Mr. Speaker: Order. You did not raise a point of privilege, with all respect.

3:10 p.m.

Mr. Cooke: I raised a point of privilege—

Mr. Speaker: Order, order.

Mr. Martel: On a point of privilege Mr. Speaker: The minister made an allegation that my colleague was in Brantford yesterday with Bob Rae about certain matters with respect to leadership. He does not have a right to make a statement like that if it is not factual.

As I suggested to the Speaker about a week ago, when someone gets up and makes a statement like that and they are wrong, it is time

they withdrew. Otherwise you leave us no alternative except to say he is misleading the House.

Mr. Speaker: Order, order.

Mr. Martel: No, it is time it got clarified.

Mr. Speaker: Let me just clarify one point for all members of this House. They are continually rising on points of privilege asking me to make a judgement. I have no idea whether the information is factually correct or not. I cannot express an opinion and I am not allowed to enter into a debate.

Mr. Cassidy: You did not even listen to him.

Mr. Laughren: Just do your job.

Mr. Martel: With the greatest of respect, Mr. Speaker—

Mr. Speaker: Order, order.

Mr. Cooke: Mr. Speaker, I would like to withdraw the comment I made. You may not have heard the unparliamentary language I indicated. I used a word I should not have used in this House.

Mr. Martel: But you might withdraw, Larry.

Hon. Mr. Grossman: Mr. Speaker, I believe I said the member was in Brantford campaigning with Bob Rae yesterday. I wish to correct the record. I think he was just there campaigning for him—not with him.

Mr. Cooke: That is not accurate at all.

Mr. Martel: That is not accurate either. You couldn't even show tact once, could you?

Mr. Speaker: Order, order. Will the member for Sudbury East resume his seat.

Mr. Cassidy: On the point of order, Mr. Speaker. You allow that kind of comment but then you cut off the member for Windsor-Riverside when he simply wished to clarify the record. I think that is a biased policy on your part. We see it every week and every day.

Mr. Speaker: Do you have a point of order?

Mr. Cassidy: Yes, I do. I have a new question, Mr. Speaker.

RAILWAY SERVICE

Mr. Cassidy: Mr. Speaker, I have a new question for the Minister of Transportation and Communications. In January of this year, the task force on rail policy headed by the member of Parliament from Rosedale called for Ontario to play a strong role in the revitalization of rail services. It called for Ontario to take a stronger and more forceful role and called for the full participation of the government of Ontario in

the planning and development of the rail system on behalf of the people of Ontario. Presuming that is the position the government intended to take, would the minister say just what strong steps he and the government have taken with respect to the Via Rail cuts in this province apart from having two meetings with Mr. Pépin?

Hon. Mr. Snow: Mr. Speaker, I believe I have had at least two meetings, probably three meetings with Mr. Pepin, and a number of discussions with my ministry staff and the staff of Mr. Pépin's ministry. I have certainly put forward the position of the government of Ontario with regard to the Via Rail cutbacks and I do not know of anything further I can do beyond that.

Mr. Cassidy: A supplementary: Passenger services on three lines that go into Toronto from Peterborough, Stouffville and Barrie are being cut and this affects thousands of people. The main line rail service from Ottawa to western Canada is also being cut. Given these facts and the way cutbacks are being imposed on services in northern Ontario in the riding of my friend from Sudbury East, is the minister saying a few talks with officials is all the government of Ontario is going to do?

What about the recommendations in the report that Ontario should act as a catalyst to help implement new rail services, that it should serve as a mediator where there are disputes, that Ontario should act as a spokesman and intervene on behalf of the users of rail services where problems like this have emerged? Are there any studies the minister can make public that will contradict the trumped-up figures with which Mr. Pépin is trying to justify the shutdown of Via Rail passenger services in this province? Is the government of Ontario going to take any other steps on behalf of these passenger services or just sit there like a lump of wet spaghetti?

Hon. Mr. Grossman: Withdraw that.

Hon. Mr. Snow: I have never been called a lump of wet spaghetti before, Mr. Speaker.

Mr. Speaker: To the best of my knowledge, it is not unparliamentary.

Hon. Mr. Snow: The Speaker has just ruled that is not unparliamentary.

I and my ministry have intervened at every opportunity when there have been proposals for rail cutbacks in Ontario. We have appeared on behalf of the citizens of Ontario at Canadian Transport Commission hearings on many occasions. Since Mr. Pépin announced his cutbacks I have met personally with him on at least two

occasions—I believe there have been three occasions—when I put forward our position and violently opposed a number of the cutbacks he is proposing.

I have not had an opportunity to appear before any CTC hearings on these particular cutbacks because, as I am sure the honourable leader of the third party knows, there have been no CTC hearings. I believe I have been as effective as possible in putting our position before the minister and have been as effective as any of his federal colleagues in Ottawa have been. But I admit that none of us has been very effective in getting Mr. Pépin to reconsider.

Mr. Mancini: Mr. Speaker, concerning the report on the Ontario rail policy, can the minister inform the House how many of the recommendations in that policy report have been implemented by the Ontario government and at what cost?

Mr. Foulds: That is not a supplementary.

Mr. Speaker: Order. It is not a supplementary.

Mr. Mancini: Certainly it was.

Mr. Speaker: No. It was not. The member for Lake Nipigon.

Mr. Stokes: Mr. Speaker, I want to ask the Minister of Transportation and Communications how he is going to answer this question from the Ontario Progressive Conservative riding association for Lake Nipigon:

"On behalf of the Lake Nipigon Riding Progressive Conservative Association, we would like to voice our objection to the proposed closure of passenger service in the north. We who reside in small communities in the north rely on passenger service, especially with the rising cost of fuel. It is a vital link in keeping our country united. Please reconsider your actions."

It is addressed to the Minister of Transportation and Communications.

Hon. Mr. Snow: Mr. Speaker, I will be answering the letter from that very important organization in the honourable member's riding. I will be telling them that unfortunately they must have misunderstood the discontinuance of these services. I will be reminding them I will not be reconsidering my actions as far as discontinuance is concerned, because I took no action—

Mr. Martel: That is right on.

Hon. Mr. Snow: The member should just hold his horses. I had nothing to do with taking the action that is discontinuing that service.

I will be telling these members of the Lake Nipigon Riding Progressive Conservative Association that on their behalf I did appeal very strongly to Mr. Pépin, when I was in Ottawa, to maintain daily service on the line where he proposes to continue only a three-times-a week service. I made a strong presentation to Mr. Pépin that the service should be maintained on a daily basis. That is what I will be telling the Lake Nipigon Progressive Conservative Association.

Mr. Cassidy: When times are good they take credit; when they are bad they blame the feds.

Mr. Speaker: Order.

CONSTITUTIONAL PACKAGE

Mr. Roy: Mr. Speaker, I thank the Premier for staying so that I can ask him a question.

With the upcoming federal-provincial constitutional conference starting next week in Ottawa, and with the press reports where we keep reading about Ontario's position—in fact the tag he has been given these days is “the honest broker”—will the Premier enlighten the House as to what areas Ontario is taking leadership in to show some flexibility?

For instance, in what areas is he prepared to amend or change his position on the question of veto in the amending formula? What changes is he suggesting in the formula or in the charter? Is he prepared to change his position on that, or is he suggesting the Robertson-Pickersgill formula of opting in or out? Can the Premier enlighten the House and tell us exactly in what areas he is proposing change to arrive at some consensus?

3:20 p.m.

Hon. Mr. Davis: Mr. Speaker, I will be very brief. I may have one or two observations tomorrow morning. I have said this several times to the press and I reiterate it. In simple terms, my approach to this is fairly obvious. We are prepared to consider, work with and endeavour to create a greater measure of consensus. We are prepared to see refinements of the charter. As I said almost a year ago we are more than prepared to find alternatives with respect to the amending formula. I think it is also important to point out I said this to the press and I am not trying to hide anything or in any way—

Interjections.

Hon. Mr. Davis: They can laugh if they like. Those people may not take this matter seriously, but frankly I am not negotiating in public prior to next Monday. We face a situation where every other Premier knows basically what my position is. I have a rough idea what, as a group,

the group of eight feels its position is. I have a rough idea what the Prime Minister's is and what the Premier of New Brunswick's is.

What has to emerge at this conference is some understanding that everybody, or a larger number of people, have to move somewhat from their present positions. I cannot be more definitive. I am not refusing in that sense of the word, but I really am not prepared to negotiate in that sense prior to the meetings on Monday.

Mr. Roy: I quite appreciate that sometimes one is not as effective as one could be if one negotiates publicly but once in a while it may be advantageous. Even though the Premier has a majority government I suggest he could take the Legislature into his confidence for such important things as the constitution.

The Premier talks about showing some flexibility so may I ask him whether he is prepared to show some flexibility in the area of the charter of rights and freedoms dealing with language rights? Would he change his position on that as it involves language rights in this province, therefore making the federal package on the charter far more saleable in Quebec?

Does the Premier not realize that if he does not, not only is an injustice being created in this province but the federal people may have to back off in Quebec on the question of language guarantees, with the English minority in Quebec losing its guarantees under the charter?

Hon. Mr. Davis: With great respect, I think the honourable member perhaps does not totally understand the issue or the positions taken, particularly by the Premier of Quebec. Ontario went a very substantial piece in terms of initiating the entrenchment of education within the charter.

Interjection.

Hon. Mr. Davis: Would the member for Ottawa East please listen. I am not going to respond to his facetious remarks. I am trying to take this seriously.

Mr. Roy: It was not facetious.

Hon. Mr. Davis: Oh, come on, he was facetious at the beginning of his remarks and he knows it. He always spoils a good question by being silly at the outset and I am trying not to reply in that fashion.

As it relates to past and present discussions, the traditional position of Quebec has been—and I have seen no evidence of any change—that its opposition to the charter with respect to language is not related to what point of view we may or may not have in this province. It relates

to its point of view there should not be provisions with respect to language in the charter that in any way conflict with its internal governmental policy. That is what the Premier said. He has said it a dozen times and I want to make that abundantly clear.

I will just reiterate what I said. I am not negotiating in public. I am delighted to share my points of view on this issue at appropriate times with members of this House. I have never been reluctant to do it, but I think this meeting on Monday is a critical one. It really is going to mean that people are going to have to change their points of view. Otherwise, no success will be achieved. In general terms we can see some refinements in the charter. I am not married to the crossing of every "t" and the dotting of every "i" that is there. The resolution, at least initially, was less than it is at this moment. In other words, it was the federal House of Commons that added a great deal of what is in the present resolution. We could have lived with the former resolution and we have said we can live with the present resolution, so quite obviously we can see some areas of refinement.

I think the amending formula is very important. We were part of—not a consensus—but we raised no objections to the Toronto consensus formula. I am sure the honourable member remembers it in detail. Then there was the Vancouver consensus and the Banff consensus. I know the member very carefully reviewed all those options and I know he understands the existing option. From Ontario's point of view—if that is critical, as I believe it is to some of our sister provinces—I feel as Premier of this province that we can be flexible. But it would be unwise to say exactly what our position is in the present situation, prior to the other first ministers reassessing their own positions in approach to this next Monday.

Mr. Cassidy: Final supplementary, Mr. Speaker: Even with revisions in the charter of rights there will be aspects of the charter that a number of the eight provinces will have great difficulty accepting. They have indicated their opposition up until now. So could the Premier explain the double standard that exists right now, whereby Ontario is supporting the federal package because it has been able to negotiate its way out of having to have section 133, French language rights, applied to this province, whereas those other provinces are being asked to accept the charter of rights despite the fact they find it very difficult to accept?

Would the Premier not be prepared to do

away with that double standard by going into the negotiations on Monday and indicating he could accept section 133? If there is an agreement, he could say as part of that agreement Ontario will take courage, with the support of the opposition parties—which support has been there for a long time—and will accept the obligations of section 133 of the British North America Act for Ontario.

Hon. Mr. Davis: I heard the member for Essex applaud that vigorously.

Mr. Boudria: Prescott-Russell.

Hon. Mr. Davis: It was somebody. I'm sorry, I thought it was Essex.

Mr. Nixon: You always mess up a good answer with a facetious interjection.

Mr. Speaker: Order.

Hon. Mr. Davis: The leader of the New Democratic Party is factually incorrect. Ontario did not negotiate its way out of anything. That is not the way the process worked. It was not a case of that in any way, measure or form. I make it abundantly clear the position of Ontario was not to negotiate its way out of anything. Our position during the discussions on the charter was to add one or two things we felt were fairly fundamental. One of them did relate to the question of mobility rights. That happened to be an Ontario initiative, along with the other one I mentioned a few moments ago. We were not negotiating our way out of anything during that process.

UNIVERSITY FUNDING

Mr. Grande: Mr. Speaker, my question is for the Minister of Colleges and Universities. Her government has systematically planned for underfunding the universities for the last five years. The federal government's response to Ontario's continuous underfunding of its system was to threaten to cut back on its established program financing commitments. In view of this will the minister assure this House that: (a) the principle of accessibility is going to be maintained or even improved, and (b) tuition fees are not going to increase by 100 or 200 per cent as students today are suggesting?

Hon. Miss Stephenson: I am not at all sure I could agree with the honourable member's presumption regarding the motivation of the federal government. I do not believe the motivation had anything to do with what Ontario did, except that the federal government appar-

ently felt very strongly it was not receiving sufficient credit for whatever it did in the area of post-secondary education from coast to coast.

3:30 p.m.

The assurances required by the honourable member are interesting. I believe we have made a very definite attempt not only to maintain accessibility but to enhance it through the past several years, particularly through the best student assistance program in Canada, which is what we have in Ontario. I do not believe I should even begin to answer the question raised by the honourable member because no suggestion of that sort has ever emanated from this government. It was the Association of Universities and Colleges of Canada that suggested very strongly there be a major increase in tuition fees for all students in Canada. In comparison with all western jurisdictions, except a few Socialist states and West Germany, education at the post-secondary level in this country is the biggest bargain in the world.

Mr. Grande: Does the Minister of Colleges and Universities know that between the fiscal years 1976-77 to 1979-80, the Canadian average spent on universities was 33.9 per cent and Ontario spent 20.7 per cent on its universities? Would the minister not show good faith with the federal government in terms of the possible cutbacks on established program funding grants by making up its mind as soon as possible, and before the federal budget, on the recommendations of the committee on the future role of universities?

Hon. Miss Stephenson: Mr. Speaker, that is a totally unrealistic suggestion by the honourable member. In the first place I have already made very clear that the examination of the entire post-secondary system is in process at the present time. That report is considered to be extremely important but it is being considered in conjunction with two other major reports—the report on polytechnic education and the one on continuing education. I will promise the honourable member that the government position in that area will be available very early in the new year.

Mr. Wrye: Mr. Speaker, I have a supplementary to the minister. Will the minister make a commitment to this House and to the students of Ontario now that no matter what the federal government should do, this government will immediately reverse its policy on post-secondary assistance? This policy has seen the provincial share of post-secondary financing for the opera-

tion of universities drop from 18.5 per cent in 1977-78 to five per cent in 1980-81, during the same period when the federal government's spending went from 66 per cent to 80 per cent and tuition fees remained constant at 15 per cent. Will the minister make a commitment today to begin to reverse the trend where Ontario pays less and less each year?

Hon. Miss Stephenson: Mr. Speaker, the honourable member is unfortunately falling into the trap that has engulfed so many others before him. I would remind him there is no specific directed allocation for post-secondary education from the federal government to the provincial governments of this country at the request of the federal government in 1976-77.

Before that time, the federal government decided it was spending far too much money in cost-shared programs and made the decision that it should persuade the provincial governments to accept block funding for certain established programs with no direction at all. The honourable member is using some kind of sleight of hand, or some kind of imaginary figures, to determine the position which he has presented. What I will promise is that as the minister responsible for colleges and universities I will do my very best to ensure that our institutions are funded adequately for their future, for the future of this province and the future of the students.

Mr. Smith: On a point of privilege, Mr. Speaker: The minister should know better than to try to lead the House in the direction she has attempted to lead it, since it is not an accurate direction.

To clarify the record, I would like the minister to know there is no sleight of hand involved in the figures produced by my esteemed colleague the member for Windsor-Sandwich. He has simply taken the amount of money that came into Ontario's hands as a result of the change in the established program funding when the arrangement was made and the same percentage of that money which previously went to universities, admitting it could have been used however the province wanted. They were not legally obliged to use it for universities, but had it continued to finance universities at the same rate as before the established program funding was changed, the government would have kept up the 18.5 per cent funded formerly. Now that has been reduced to five per cent—

Mr. Speaker: Order. A new question; the member for London North.

NURSING HOME INFORMATION

Mr. Van Horne: Mr. Speaker, I have a question for the Minister of Health. In view of the fact that five months have passed since the minister assured the House he was working on a means by which he would make nursing home inspection forms public—

Interjections.

Mr. Speaker: Order. Proceed.

Mr. Van Horne: Can the minister explain why we were recently told by an official of his ministry that they were still working on the kind of form and they were not sure what the criteria should be? Why is his ministry stalling on that when he gave us assurances in May?

Hon. Mr. Timbrell: Mr. Speaker, I do not think it is stalling. The staff are working on it. They know the direction I have indicated I wish to go. They are to report to me this fall on how that can be done. With respect, that could not reasonably be called stalling.

Mr. Van Horne: I ask the minister to check and report back to the House, because we were told within the past week that not only were the criteria a little hazy but also they were considering dispensing with the thought altogether. Now the minister is telling us a different story. I wish we would get the story straight. Will the minister report to us as to when that form will come to us?

Hon. Mr. Timbrell: When the staff have completed their work and I have had a chance to review it and discuss it with my colleagues, I will announce what the system will be. There is no question that there is going to be a new system.

USE OF DEPO-PROVERA

Mr. Breagh: Mr. Speaker, I have a question for the Minister of Community and Social Services concerning the report he tabled today on the use of Depo-Provera. Even though there are some shortcomings in the report, one thing sticks out: The rate of death occurring in these institutions by breast cancer is 25 times the norm. Given that information is from the minister's own report, is he now prepared to ban the use of this drug in his own institutions?

Hon. Mr. Drea: Mr. Speaker, I thought I made it plain when I gave the statement an hour or so ago that I would adopt the recommendations of Dr. Zarfes, and I have done so. Dr. Zarfes does not recommend a ban in our institutions. He does not recommend a ban

outside our institutions.

What Dr. Zarfes has recommended is that his entire report be directed to the 38 or 39 facility physicians—physicians who practise primarily in our facilities—and then be published in the medical journals for the information of all medical practitioners across the province.

He has also recommended that this study be sent to the health protection branch of the Department of National Health and Welfare and that that branch do much more investigation because, as the honourable member will note from the report, the people who have been studied here are a relatively small sample.

To come to the particular point, because I know the member would want to ask it in a supplementary, I consulted with Dr. Zarfes across my desk and asked him if he would recommend that this pharmaceutical be banned in our facilities. Dr. Zarfes told me, "No."

3:40 p.m.

Mr. Breagh: I would like to ask the minister if he has an explanation for the simple fact that, just shortly after I asked the initial questions about the use of this drug and just prior to the undertaking of this particular study, more than 255 women in these institutions were immediately taken off the drug.

Second, I would particularly like to know why, in one of the institutions in Rideau, fully 46.9 per cent of the women in the institution were on this drug.

Does that not give the minister a pretty clear indication that there was at least some abuse of this drug in his own institutions?

Hon. Mr. Drea: I was not the minister at that time. Therefore, I will consult with the people responsible in these facilities and so forth and take that question as notice. The member will get back a reply in writing.

Mr. McClellan: Mr. Speaker, the minister may recall that his predecessor assured the House when the matter was raised that there was no risk with respect to Depo-Provera, that it was extremely safe and that there were no reports of adverse reactions.

I want an answer now from the minister as to why 230 female residents of the Rideau Regional Centre who were on Depo-Provera before the question was raised in the House were immediately taken off the drug as soon as the question was raised.

Hon. Mr. Drea: Mr. Speaker, I am hardly in a position to carry around in my mind the events of last June when I was not the minister

responsible. I have answered quite candidly that I will take that question as notice. I will reply in writing to the member for Oshawa, who originally asked the question, and I will reply directly to the member for Bellwoods.

MAJOR REALTY

Mr. Mancini: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. Is the minister aware that one of the largest realty firms in the city of Windsor, Major Realty of Windsor Limited, has gone into receivership and that the realty agents employed by Major who have money forthcoming from sales made are therefore not going to be able to receive their moneys? I would like to know what steps the minister is going to take to ensure that these agents will be paid.

Hon. Mr. Walker: Yes, Mr. Speaker, I am aware of the problem that has existed in Windsor with Major Realty. In fact, when Price, Waterhouse moved the receivers in at five o'clock last Friday our ministry inspectors were on site at that very time, making sure that the trust fund was in order. At that time, five o'clock on Friday, we were able to ascertain that the trust funds of Major Realty were in order; so we can at least say that much, and that is the context in which we were there at that moment.

The only thing I can say in regard to looking after the actual agents and what moneys will be forthcoming to them is that if any of their proceeds were contained within the trust funds then they are protected. Our only area of inspection at that moment was the trust funds. To the extent that they would cover off any expenses or income the agents would normally receive, we can say for sure that is there. Beyond that, we would have to determine the individual cases.

UREA FORMALDEHYDE FOAM INSULATION

Mr. Van Horne: Mr. Speaker, on a point of order, I would make reference to the petition I presented to this House two days ago, a petition signed by more than 2,600 people from London and district and asking this House to assist in the removal of urea formaldehyde foam insulation.

I was informed after I presented the petition that it could not be properly presented to the House because, according to standing order 29(f), "no petition shall be received that prays for any expenditure, grant or charge on the public revenue . . ."

I would argue that the wording "to assist in

the removal" could suggest that the government use its influence with manufacturers, which is the idea presented in the private member's bill brought to this House on Monday through the member for Welland-Thorold (Mr. Swart), and that the petition does not clearly or explicitly or directly ask for the expenditure of funds and therefore should be left as a petition rather than forwarded to the Minister of Municipal Affairs and Housing (Mr. Bennett).

I know that it would be difficult for you to rule on the point I am raising now, Mr. Speaker, but I would like you to look into it if you would, please, and discuss it with the Clerk of the House. I have a very strong feeling that the people affected by urea formaldehyde foam insulation are going to be shuffled from federal to provincial to municipal government with no one having the courage to stand up and speak their case for them. I think we have a duty to do that, and I would like you to look into it, please, Mr. Speaker.

Mr. Speaker: I will take that matter under consideration.

REPORTS

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Mr. Harris from the standing committee on resources development presented the committee's report as follows:

Resolved that supply in the following amounts and to defray the expenses of the Ministry of Agriculture and Food be granted to Her Majesty for the fiscal year ending March 31, 1982:

Ministry administration program, \$5,586,000; agricultural production program, \$93,743,700; rural development program, \$5,325,900; agricultural marketing program, \$12,765,600; agricultural education and research program, \$27,967,800.

Resolved that supply in the following supplementary amount and to defray the expenses of the Ministry of Agriculture and Food be granted to Her Majesty for the fiscal year ending March 31, 1982:

Agricultural production program, \$37,000,000.

STANDING COMMITTEE ON GENERAL GOVERNMENT

Mr. Barlow from the standing committee on general government presented the committee's report and moved its adoption:

Your committee begs to report the following bills without amendment:

Bill Pr11, An Act respecting the Town of Lincoln; and

Bill Pr16, An Act respecting the City of Kitchener.

Your committee begs to report the following bill with certain amendments:

Bill Pr30, An Act respecting the Latvian Canadian Cultural Centre.

Report adopted.

MOTIONS

WITHDRAWAL OF BILL 54

Hon. Mr. Snow moved that Bill 54, An Act to amend the Public Commercial Vehicles Act, be discharged and removed from the Order Paper.

Motion agreed to.

INTRODUCTION OF BILLS

BARRIE-INNISFIL ANNEXATION ACT

Hon. Mr. Bennett moved, seconded by Mr. McCague, first reading of Bill 156, An Act respecting the City of Barrie and the Township of Innisfil.

Motion agreed to.

Hon. Mr. Bennett: Mr. Speaker, the purpose of the proposed legislation is to implement the agreement between the city of Barrie and the township of Innisfil on a range of boundary planning and financial issues.

The agreement results from a negotiation process similar to the one conducted two years earlier in the city and area of Brantford. Negotiations and agreement followed years of protracted confrontation by the municipalities before the Ontario Municipal Board and the various courts, including the Supreme Court of Canada, which left the boundary issue unresolved.

I would like to congratulate the negotiators for the city of Barrie and the township of Innisfil and Mr. Gardner Church and Brian Isaac of the Ministry of Municipal Affairs and Housing on a job well carried out.

3:50 p.m.

MUNICIPAL LICENSING ACT

Hon. Mr. Bennett moved, seconded by Hon. Mr. Gregory, first reading of Bill 157, An Act to provide for the Licensing of Businesses by Municipalities.

Motion agreed to.

MUNICIPAL CONFLICT OF INTEREST ACT

Hon. Mr. Bennett moved, seconded by Hon.

Mr. Gregory, first reading of Bill 158, An Act to revise the Municipal Conflict of Interest Act.

Motion agreed to.

PLANNING ACT

Hon. Mr. Bennett moved, seconded by Hon. Mr. Gregory, first reading of Bill 159, An Act to revise the Planning Act.

Motion agreed to.

Hon. Mr. Bennett: Mr. Speaker, may I be permitted to say one further word in relation to my statement today?

I would like to thank the staff of the ministry, Mr. Bain, Mr. Wojciech Wronski and Mr. Farrow and others, and to respond in the House to a question that has been asked by a number of organizations, which is: How long will the new planning act to take to come to completion and royal assent? I have no idea, obviously.

I have indicated to many organizations throughout the province that we were hoping for second reading in this House this session and that the bill will go out to committee for a fairly lengthy period of time for review by all those interested.

PUBLIC COMMERCIAL VEHICLES AMENDMENT ACT

Hon. Mr. Snow moved, seconded by Hon. Mr. Gregory, first reading of Bill 160, An Act to amend the Public Commercial Vehicles Act.

Motion agreed to.

Hon. Mr. Snow: Mr. Speaker, I had intended to make a lengthier statement earlier today but we ran out of time.

The bill I am introducing today to amend the Public Commercial Vehicles Act will replace Bill 54 but will include the amendments that were included in Bill 54, which I removed from the Order Paper today.

In addition, the bill will include a number of amendments implementing recommendations of the Biggs review of farm-related trucking matters. They will also implement a procedure for intercorporate trucking between related companies, where the companies are owned a minimum of 90 per cent by the parent or sister company.

I have distributed the full statement and information to the critics.

ARBOUR DAY ACT

Mr. Kennedy moved, seconded by Mr. Lane, first reading of Bill 161, An Act to proclaim Arbour Day.

Motion agreed to.

Mr. Kennedy: Mr. Speaker, there are two points in the bill. It is similar to the one introduced by the former member for Beaches-Woodbine, Mr. Wardle, in 1973. A second point is that Arbour is spelt in accordance with the Oxford dictionary.

CITY OF WINDSOR ACT

Mr. Cooke moved, seconded by Mr. Charlton, first reading of Bill Pr23, An Act respecting the City of Windsor.

Motion agreed to.

ANSWERS TO QUESTIONS ON NOTICE PAPER AND RESPONSE TO PETITION

Hon. Mr. Gregory: Mr. Speaker, before the orders of the day, I wish to table the answers to questions 140, 142, 144, 146, to 149 and 168 and the interim answers to questions 151, 153 to 167 and 170 to 172 standing on the Notice Paper. (See Hansard for Friday, October 30.)

I also wish to table the response to a petition presented to the Legislature, sessional paper 204. (See Hansard for Friday, October 30.)

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS

PRESERVATION OF PARLIAMENT BUILDING

Mr. Jones moved, seconded by Mr. Kennedy, resolution 22:

That the Lieutenant Governor in Council appoint a committee to be composed of the Speaker and not more than seven members of the House, with consideration to the composition of the House, and others who may be deemed appropriate, to advise and make recommendations with the intent of preserving the architectural integrity and heritage of the Parliament Building of Ontario, its grounds and contents therein in order to make preparations for an appropriate celebration of the centennial of the building as the seat of the Legislature and a symbol of the living heritage of Ontario.

Mr. Speaker: Before proceeding, I would like to say to the honourable member that he has up to 20 minutes for his presentation and may reserve any portion of it for his windup.

Mr. Jones: Mr. Speaker, in moving this resolution, I believe we should pay more attention to Ontario's heritage as preserved in this particular building. It is a building of great significance for several reasons. Each reason

ties in to our most primary values.

This building embodies the finest work and craftsmanship that we have anywhere in Ontario, and it is one of our oldest buildings. It is a working, functional, historic monument, the seat of our deliberations as we manage the affairs of Ontario through the democratic process.

It is an education, I suppose, in the meaning and the working of democracy for thousands of people who visit this building and its grounds each year. It is one of our most popular tourist attractions. I know that as I was entering the House prior to question period this afternoon, and as other members may have noticed, we had three or four buses from as close as North York and from Owen Sound and other parts of the province.

4 p.m.

A building of such great significance deserves the finest attention, care and, although it may sound a little corny to say, even love that we can give it. We have to remember that we are torch-bearers, if you will, only for a time; we will pass our system of democratic government on to our children and, in turn, to their children, and they will receive it in the condition that we leave it in. We are the stewards.

This building and its grounds are the actual seat of our government in Ontario and therefore merit our highest respect. By respecting our seat of government ourselves, through that example we can teach our children to respect it in turn and the democratic freedoms that we intend to pass along to them, in their turn, when they are old enough to bear that responsibility.

I guess as much as anything it is the educational function of Queen's Park that impresses me the most. Each of us has his own feelings as we think in terms of this building, but I know mine is the extension of oneself and the education it means personally to each of us. For my part, as I have people visiting from my riding of Mississauga North, and I particularly mentioned the school tours, I see them in the halls and in the gallery, and I see them watching us from the gallery if the House is in session. One has to appreciate that that is an opportunity that is so unique and so important that the building that permits it all to be possible has a very special meaning.

From my office over in the Frost Building, I get a unique bird's-eye view of this gracious building. I have a chance to look down at the building and across the gardens. I see people wandering and enjoying the park, the trees and

the gardens. One probably all too often takes it for granted, but the fact is that it is a lovely building.

One cannot help but be moved by the people and the activity that one observes. One sees the people reflecting on their history as they look at the sculptures that are on the grounds and as they look up at the building. I suppose and hope that they are seeing democracy as a living process, whether it be on the grounds or within the confines of the building.

I say that we are trustess, and I believe that to be true. It is in that capacity that I want to ask all honourable members of this assembly to consider whether we are according to Queen's Park the full measure of care and attention that it deserves as the focus of our provincial government.

Are we doing as good a job as we might of showing our visitors the history of our province? Are we conveying a sense of the great achievements of Ontarians? Are we stimulating as much respect for freedom and the democratic way of government as we can here at Queen's Park? Are we treating the building and its rich collection of art and furnishings with the attention they deserve from the point of view of historical preservation?

My personal conviction is that we could and should do much more than we are. With all due respect to the constant procession of custodians, and I see our former Speaker is in the House and perhaps will be joining in the debate, I know the kind of feeling that many people who have had the responsibility for this building have inputted to it and have added to it. The new customs and the preservation of those things we treasure most about the building have been having, as I understand it, a constant upgrading. But I always say that, with something as precious as this building, we probably could admit that there is yet more we could do.

I say this in a spirit of concern for preserving and conserving the best of our past, and this has been, of course, a decade—

Interjection.

Mr. Jones: No, I really was not being facetious; although, yes, I have heard that jingle somewhere. I think it fits.

Mr. Stokes: The member was sort of getting carried away there.

Mr. Jones: I recall that during Canada's centennial celebrations in 1967 we designated century farms, and as we travelled throughout the province we always saw that distinctive

emblem telling us those farm buildings had been in existence for 100 years or more. I think all of us perked up, paid some attention and probably reflected on our heritage when we saw those signals of our past as we went across the way.

Mr. Elston: The government is getting rid of most of the century farms these days. The Ontario government is carrying on with the program.

Mr. Jones: No. The member ought not to mix the two debates. We have a strong rural base in this province, of which we are so very proud, and it makes sense to me that as we think of the heart of the province and its democratic process we should give the same care to our farm communities as we did to those properties that were designated as being 100 years old or more.

We encourage preservation of historically important properties, scenic lands, works of art, books, artefacts and other cultural properties throughout the province under the Ontario Heritage Foundation. As you know, Mr. Speaker, it is guided by a group of about 30 private citizens appointed by the Lieutenant Governor in Council because of their expertise in heritage conservation. The Ontario Heritage Foundation was established in 1968, and it has received over \$10 million worth of gifts. Some are used as museums or senior citizens' centres, and they thus serve a very useful workaday purpose as well as being preserved as part of our heritage.

I think the Canadian centennial gave a lot of people the opportunity to pause and reflect on the importance of conscientiously preserving our historical buildings. Many centennial projects involve the restoration and renewal of other buildings throughout Ontario, and it was as though we suddenly realized that unless we acted much of value would be lost.

For whatever reasons, there is no doubt that we are taking a wide variety of concrete measures in Ontario to ensure that the heritage properties, objects and buildings are preserved. Many governments, heritage organizations and individuals have joined forces. I suppose a landmark in Ontario is the Ontario Heritage Act of 1974, which promotes local initiatives and involvement. We have wisely adopted the decentralized approach in many areas where jurisdictions overlap, such as education and land-use decisions.

The Ontario Heritage Act puts the legal instruments for such moves as the designation of an individual site or heritage district in the hands of local governments, which are in close touch with the needs and wishes of the people

whose property rights will be affected by such measures. Obviously we as the assembly are the local government with respect to Queen's Park.

When visiting Europe, or even when we look at movies or travelogues, we always tend to sense that Europeans take great pride in the living presence of their history. It seems to be everywhere. The preservation of their heritage for many centuries is something we can learn a lesson from. Just as they sense their social continuity and stability in the form of their physical surroundings, we should certainly do no less for a building we hold in such high esteem as the building we speak about today.

It is very positive that Canadians have begun in earnest to conserve whatever historical artefacts we have. We have been proud of this building on many occasions, but maybe we have expressed it on too few occasions. As we walk the halls and see the pictures of personalities of the past, unique sculpture and paintings that have been brought forward so that the public can have an opportunity to share them, we reflect on it, but perhaps there are other things we can still be doing.

4:10 p.m.

This afternoon prior to the debate I was reminded, as I spoke with the member for St. David (Mrs. Scrivener), who was a former Minister of Government Services, of the fact that during the time she was in that ministerial role, Eric Arthur put out a book called *From Front Street to Queen's Park*. For my part, when I first read that during a break from the Legislature, I enjoyed the pictures. I learned of the tremendous historical importance of the background that was conveyed to us in that book. Fern Bayer, who currently has the responsibility for the government of Ontario's art collection, is another person whom we can be extremely grateful to for the work, the constant interest and commitment we have here assisting the trust that is ours in the form of this building.

No building so well illustrates the need to preserve Ontario's architectural heritage as the Legislative Building here at Queen's Park. It has been described in various ways. One critic has affectionately referred to the Legislative Building as "a noble red pile." Others have been less charitable, calling it dull, uninteresting and an unsuccessful example of artiness. Whatever the description happens to be, it cannot hide the fact that the Legislative Building is a tribute to our past and a symbol of our collective heritage in Ontario. The descriptions, too, cannot hide

that the Legislative Building has a fascinating history. I would briefly like to capsule my understanding of it.

The facts about the building are fairly straightforward. The first Parliament met on April 4, 1893. That was the third session of the seventh Legislature. The Premier of the day was Sir Oliver Mowat. The new building replaced an older one that was located at the corner of Front and Peter Streets. As we read that book by the eminent Eric Arthur we were all taken back to that windswept day of the opening. That new building had its trials and tribulations. Until recently, this building has been very much overlooked by historians and architectural critics. The building was brought forward in Alan Gowans's famous book, *Building Canada*, which I would commend to the members.

It is curious that it took so long for an appreciation of the Legislative Building to develop. Perhaps it was because people found the building's architecture dull. I certainly do not think it is. Perhaps there are lingering bad feelings that the architect, Richard A. Waite, was not a Canadian but a Briton living in Buffalo, New York. Or it may be that the building was constructed with fairly little fuss, on time, and close to the budget. Whatever the causes of that lack of interest in the past, the neglect is beginning to fade and a new appreciation for the Legislative Building is starting to develop, and we should seize that.

The building Waite designed was to be made of sandstone and brick in the exterior portions, and wood in the interior. The exterior was to be made of red sandstone from the Credit Valley quarries of Carrol and Vick. In the end, other stone had to be used in addition to the Credit Valley material. Some came from Connecticut and was used in the south facade. Other stones came from the Orangeville area, but it is not certain where they were used.

When the west wing was rebuilt following the bad fire of 1909, the stone used was New Brunswick number one River John brownstone. It can be seen in the west wing as having a deeper pink colour than the stone elsewhere in the building. Despite some of the problems and delays with exterior building materials, construction proceeded on schedule. In 1893, public works commissioner Fraser wrote a glowing tribute to the builders, praising their ability to keep work on schedule.

The exterior carvings have always fascinated me as I look to the building from the exterior or,

for that matter, from the interior. It is interesting to know that the carving was carried out before the blocks were put in place.

The largest amount of carving is located on the south facade. There are three elaborate sections to that. The firm that carried out the carving was Holbrook and Mollington. Sadly, however, the carvers seem to be lost to history. It is a pity they are anonymous because their work is rich in detail and highly inventive.

Over the main entrance is a frieze with figures representing philosophy, art, engineering, commerce, architecture, literature, science, agriculture and music. On each wing are friezes of prominent Canadians and the honoured group consists of eight people, each of whom advanced the cause of government in Ontario. On the east side, workers carved the images of William Hume Blake, John Graves Simcoe, John Beverley Robinson, and John Sandfield Macdonald. On the west side are the likenesses of T. B. Pardee, Sir Isaac Brock, Robert Baldwin and Matthew Crooks Cameron.

The carvings are interesting because they are about things that do not exist. Apparently, Waite originally intended to make all the friezes symbolical. As they stand now, there is no direct connection between them. Waite's plans were either ignored or discarded because of their cost.

The second interesting point is that the Legislative Building has no cornerstone. That certainly fascinates me. Given the importance of the building the omission of a cornerstone certainly seems unusual. The only item to commemorate the construction of the building was a symbolically set keystone in the east arch of the main entrance.

Like the exterior, little is known about the people responsible for the finishing of the interior. The master wood carvers who executed the work in the legislative chamber are unknown but for one person. The ironwork is thought to have been carried out by the master smith Angus Macdonald who worked for the St. Lawrence Foundry Company here in Toronto. There is conflicting evidence on that point. It can only be supposed Macdonald was responsible for the many exquisite railings on the stairs of the Legislative Building and in the lobby of the main entrance.

This work, while we appreciate it, we take for granted all too often. It is a rich heritage. As we look back and chronicle the steps of the building coming into being, the fascination of the details lost and the details known about that

history—I suggest that from 1893 to the present, the Legislative Building has been a symbol of parliamentary government in Ontario, and it is a viable and solid link with our past. I believe this unique and very special example of Ontario's architecture requires the special attention that is proposed by this resolution. Even as fall sets in with the leaves, we can enjoy a special building. We ought to preserve it with special attention.

Mr. Breithaupt: Mr. Speaker, I am pleased to rise and speak in support of the resolution which the member for Mississauga North has brought before the House today. Honourable members may recall that in 1979 I presented a private bill to the Legislature which would amend the Legislative Assembly Act in order to create the post of curator of Queen's Park. This follows the theme being advanced today in this resolution.

The person whom I would have in mind to take on that responsibility would be the same Mr. Eric Arthur, the author of the book *From Front Street to Queen's Park* and certainly one of the most distinguished architectural conservers and historic persons within the province and within Canada. In the work he has done and in the advice made available to the Legislature, Mr. Arthur has clearly shown a very strong interest. I take the opportunity of commending the member for Lake Nipigon (Mr. Stokes) who as Speaker of the Legislature was personally interested and concerned about the preservation of the fabric of this building and in ensuring there were no changes to that fabric which would interfere with the architectural whole.

I suggested at that point this honorary post of curator would give an opportunity of offering advice to the Speaker of the day or to the government of the day in order that preservation of the building, the working out of changes, the suggesting of colour schemes and such matters would all be done in a harmonious style.

4:20 p.m.

The sponsor of the resolution reminds us that the building was first opened on April 4, 1893. For those members whose memories do not go back that far, the Premier of the day, the Honourable Oliver Mowat, was a Liberal. He was Premier of Ontario from 1872 until 1896, in those days when a lengthy term meant good government as opposed necessarily to government being in power too long.

In any event, during those years and the years following, in his position not only as a federal cabinet minister but finally as Chief Justice of Ontario and Chancellor of the University of

Toronto, he always evinced a great interest in the history of Ontario and a great interest of developing for the future but preserving the past.

I, too, have been struck by walking around this building and seeing the kinds of details, the carvings we see in this chamber or the various parts of the frieze and the architectural designs on the outside that have already been referred to. It is indeed a building of great worth and value. It may not be one of our approaches to say that the design of this building is what would happen in this day and age, but it was a monument of its times, it has meant a lot to the people of Ontario and it is worthy of preservation.

It does not take many important things—I think of one thing I recall Mr. Speaker Stokes doing. It may not seem very impressive at this point, but it is certainly much more pleasant sitting inside this chamber to have those curtains removed from the front doors. When one looks at the lights, dealing with those bevelled pieces that make up a very intricate design, that is a very handsome item, one we are now able to see and which is of benefit, not only to those on the inside of the chamber, but one which makes a much more pleasant and enlightened view of the main doors leading into the chamber.

I had suggested that a curator of Queen's Park would be an idea that would lead into this same sort of pattern we have here today. I suppose I could also refer to Bill 94, which I brought in in 1980, an act respecting the use of the expression, Queen's Park.

I will not go into the details of that because of the apartment building that has developed. It followed the same theme that saw, in Ottawa, private member's legislation suggested to set a tone with respect to the use of the term, Parliament Hill; not just a commercial term, not the name for some hotel or whatever, but something that is set apart, that is understood and that relates to the history and the seat of government of the province, setting the Queen's Park theme in the same way the term Parliament Hill has a special meaning which I think is worthily being maintained and developed.

We are all interested in seeing the changes which have now taken place to the East Block on Parliament Hill. I have not been in the building since it has been restored but it is said that, while the lighting may be a bit dull and while there may be a strange green colour of paint on the walls that may not be what people

do now, it is a restoration of exactly how the building looked when it was first put up in the 1870s.

That is an excellent kind of thing, to my mind, because the restoration of that area, the Prime Minister's offices, the offices for the Governor General as they were then, and the restoration of all these themes, is an important commitment to the generations of Canadians who are going to relate to how government was in those days.

We, too, have that opportunity and I suggest the appointment of this committee to plan for some appropriate centennial and for the maintenance of the fabric of this building, is a most useful thing. These things do take time and planning and we have some 10 years to get ready for appropriate celebrations. Since the time must be taken and used well, following through with the idea of a committee of assistance to Mr. Speaker, however it might finally be decided, is something I certainly approve of and would be happy to be involved in personally, if that should develop.

We have the important remembrance in this building to maintain its architectural integrity. I recall when room 228 was going to be turned into another committee room, which was badly needed, there was some thought of taking out the wall between room 228 and the next. This would have destroyed a marble fireplace and a very fine mantel, and I believe Mr. Speaker Stokes was instrumental in making sure this did not happen. Again to give credit, when we look at the restoration of what used to be the old post office into what is now the Amethyst Room, which serves as a committee room and as a reception room for the larger delegations and which can be handsomely set up in a variety of ways, we find the kind of thing that should exist in this building.

This is the fabric that I believe we should preserve and conserve. This is a phrase I do not often use, but in this instance—

Mr. Laughren: Very wise.

Mr. Breithaupt: I do not know whether I am very wise not to use it or very wise in this instance, but—

Mr. Foulds: The member is very wise not to use it except in special circumstances.

Mr. Breithaupt: Except in a special circumstances, because in this circumstance to preserve it and conserve it is a most valued thing. It not only is valued by those of us who have the responsibility and opportunity to live and work in this building, but also is important, of course,

as part of maintaining the historical fabric of the province and as an opportunity for those who visit—for school children, for the guests who crowd our galleries on occasions such as this, for the members who crowd the benches on some occasions—to share.

I think it is a worthy idea. I hope the House will approve this in principle, because the planning does take some time and members will come and go and elections will take place long before this centennial is reached.

I welcome the opportunity to have spoken in support of this resolution, and I commend the member who brought it forward to us today.

Mr. Stokes: First of all, Mr. Speaker, I would like to commend the member for Mississauga North for having the foresight and concern to bring in a resolution of this nature, and I would like to thank the member for Kitchener for his kind remarks.

I think that, all too often, if we do take a look into the past we do not learn from the mistakes of the past; we stumble along with the present and really do not give sufficient respect and attention to those people who have provided us with the heritage that goes with a building of this kind and with the nature of the things we do, sometimes not very well, in this building.

I agree in general terms with the concept that is loosely expressed in the resolution, but, given the fact that it seems to be motivated by a wish or desire to prepare for an event that is not going to take place for another nine years—namely, 1992—I think we should not only have a sound foundation for an appreciation of what this building means to us as members of it and, indeed, to all the people who work in this building; I think we should carry it much further and recognize that this is a symbol for all of the people in Ontario, a symbol of a free, institutionalized democracy.

All too often we not only take all these things for granted—the milieu in which we find ourselves, the architectural and historical integrity of a building such as this; all too often we neglect to pay enough attention to the institution of Parliament. If you look at a map of the world, Mr. Speaker, and you say, “All right, there is a place that looks to democracy in much the same way we do as Canadians and as Ontarians,” I think you will find that the number of countries that enjoy the kind of parliamentary democracy we do here in this jurisdiction are getting ever and ever smaller. If we ignore that fact, I think we do so at our own peril.

4:30 p.m.

I would like to join with the two members who have already spoken in paying tribute to what has gone on, particularly since 1977-78, in the persons of Bob Brockington and Fern Bayer from the Ministry of Government Services, who have really done an excellent job—a part-time job, but nevertheless an excellent job—of reminding us what this building should mean to us. They have taken very positive and concrete steps to provide a showcase for the works of art, the portraits, the paintings, the sculptures, in fact the architectural integrity, and in at least beginning to compile a historical background of everything there is to see in this building.

I am not sure whether we should be setting up a committee composed of the Speaker and a number of members of this assembly in order to begin to prepare for something that is nine years off in the future. I think we have an excellent background and we do have the expertise in Mr. Brockington and Fern Bayer to continue to build on what they started, with the encouragement of the Office of the Speaker, over the last four or five years.

I agree with what has been said concerning Mr. Eric Arthur. His work adds to the lore of what we have started to build up in Ontario. But it is really just a fine picture book rather than digging into all the detailed historical background; for instance, what the mace means, how this building was constructed, all the historical documentation that has already been started but, because of scarce resources and because we really do not have anybody associated with the Office of the Speaker or with the Office of the Assembly, for which we have to rely on those fine people over in the Ministry of Government Services.

Rather than needing a curator or an ad hoc committee under the chairmanship of the Speaker, I would hope we would have the wit and wisdom to employ the services of a full-time art historian with an architectural and historical background. We have those people right here with us over in the Ministry of Government Services. I do not know whether it would be the wish of the assembly to move them over here under the aegis and auspices of the Office of the Assembly—I think that would be a good idea—but I think it would be a mistake to cut them off and say, “We are going to take over as Speaker and as a representative committee made up of members of this Legislature.” I hope we do not lose sight of the excellent work those two people have done.

It is not common knowledge, but I think I

should pay tribute to somebody most people in this House probably have never even heard of, in the person of a Mrs. Beatty. I do not know whether she is still associated with the Premier's office, but I know on many occasions she would see a work of art down in a furnace room, or in a closet or cupboard some place. Nobody had an inventory of what it was we had by way of an art collection in Ontario. If it were not for people like Mrs. Beatty, we would not be walking around the halls today enjoying all the wonderful works of art that are on display, not only for our own benefit but also literally for the benefit of the thousands of people who want to visit this building on a continuing basis.

I subscribe to the fact we must pay more attention to what it is we have in this building. I invite the members who do not have offices there to go up to the fourth floor of the west wing of this building. There are some excellent portraits. They are really masterpieces. I am sure most people have never taken the trouble to go up and see them. What they are, what they represent, what they mean is an excellent documentation of what those people have meant in building up the collection we are so privileged to have.

We have started an inventory and a cataloging of this whole collection but, because of a lack of human and financial resources, the process has been extremely slow. While I agree with the concept of the resolution proposed by the member for Mississauga North, I think we should build on what we have with Mr. Brockington and Ms. Bayer. I think we can have a building around here that not only we ourselves will be proud of, but also everybody in Ontario will be proud to be part of.

Mr. Robinson: Mr. Speaker, let me begin my remarks by offering my complete concurrence with and approval of the remarks made by my colleague the member for Mississauga North. The history and grandeur of this building is a source of pride for all of us who conduct the business of government within its walls. It stands as a continuing symbol of our province's heritage and, as such, is deserving of our admiration and respect.

I am sure all members will agree with me that our respect for this building and its historical importance can be measured in part by the care and attention given to its maintenance. As chairman of the standing committee on members' services, I have a special interest in ensuring this building is treated with the reverence and care it so rightly deserves.

As a new member working in this Legislature for the first time, perhaps I can bring something of a fresh perspective, a first-time observation, to the consideration of the building's maintenance.

I wish to bring these observations to the attention of the House today as I believe they may escape the notice of those who have worked here for many years and have grown comfortable in their surroundings. Such include the dedicated people who have cared for the Legislature building so well for so many years.

First of all, I have a few housekeeping notes. I think it certainly is to the credit of the member for Lake Nipigon that during his term as Speaker of the House he made sure those fabulous chandeliers now hanging over our heads were taken down and rebrassed. They are a thing of beauty. They truly are.

But I have to wonder why it took so long to get it done to begin with and why, once the precedent was set, the rest of the brass in the building was not given the same care and attention. I need only direct the members' attention within this chamber itself to the brass handrails and the screens around the visitors' galleries on either side of the chamber; surely they too deserve a little spit and polish. But, for the most part, the brass fixtures in this building have gone unattended. I am compelled to ask why that has been allowed to occur.

Speaking of the unattended, I draw the members' attention to the drapes that cover the windows leading up to the Legislative Library. In the whole of this building, I do not think there is a more beautiful walk than from the front doors up the majestic red-carpeted centre staircase to the marble hallway of the Legislative Library.

But to cast one's eyes on the drapes in that hallway is to be sadly disillusioned. The experience is an unpleasant one. The reality is that those drapes were once a snowy white. They are now a sorry shade of grey which would bring detergent manufacturers to their knees. They are a product of many years gone by, I am sure, without a good and productive cleaning. Again, I have to ask why that has been allowed to occur.

4:40 p.m.

On the topic of cleaning, I must also point out that if one looks at the majestic red carpet that adorns the first-floor centre staircase one will see that it is covered with coffee stains—stains that may well have been there since the brew was invented.

While we are discussing the carpets in this Legislative Building, it cannot go unmentioned that while the new carpet installed on the third floor is a definite improvement, just as the one installed before it on the second floor was and just as the one on the main floor has been, I am still at a loss to explain why the carpets on the first, second and third floors are all different from each other. The fourth floor forecourt has no carpet whatever; it still has the original and very attractive mosaic tile.

Certainly it must give some visitors pause when they realize that a government charged with the responsibility of making important decisions for Ontario and her people every day keeps changing its mind about which carpeting best suits this building. I have to wonder if we do not run out to see who has it on sale from time to time. I regret to say, but I must point out, that carpeting—

Mr. Foulds: There are remnant sales. Look at the north wing's carpets; we have to tape them down so we do not trip over them.

Mr. Robinson: We got the tape off the carpet, I point out to the member for Port Arthur. Things are looking up.

I regret to say that carpeting is not the only area that has been overrun by an absolute lack of continuity and style. A quick perusal of any five rooms in this building will clearly reveal that hardly any piece of furniture matches any other. The furniture in this building should reflect the tradition and heritage we stand for as Ontarians. Surely it would be more appropriate and more in keeping with the historical traditions of this building if we were to replace our current hotchpotch of mismatched pieces with period furniture made in Ontario.

Mr. Foulds: The present furniture reflects the style of the Davis government: mishmash.

Mr. Robinson: Mr. Speaker, there is an ongoing chatter in here that I really cannot understand.

I know that kind of cost normally would be prohibitive, but the Ministry of Correctional Services has a pool of qualified craftsmen in its minimum-security institutions who, I think, could do the job, perhaps with the help of plans drawn up by students from Ontario's design colleges. These men could be set to work producing period furniture, perhaps over the next 10 years or so, that we could be truly proud to display in this Legislature. Imagine the difference this would make to the aesthetic value of this building, not to mention its value in reflecting Ontario's true heritage.

On the subject of Ontario's heritage, the fourth floor of this building, the one the member for Lake Nipigon spoke of a few moments ago, seems to have been transformed into a repository for every existing copy of a copy of an unknown original never attributed to an anonymous European artist. If you walk around there, Mr. Speaker, you will notice that it is extremely heavy by subject on cherubim and seraphim.

I would like to read to you just one inscription from a painting on that floor, and I invite you to go and seek it out for yourself. The work is obviously entitled *Carnivale in Rome*. The inscription reads: "Copied by the artist after his original version, painted in 1837, which he frequently reproduced thereafter." It altogether escapes me how a work of art that has that sort of background, that sort of prominence within the world art community, has any place in or anything to do with Ontario's heritage.

Mr. Foulds: Quit attacking the seraphim.

The Acting Speaker (Mr. Cousens): Order.

Mr. Robinson: And it is particularly the cherubs.

Surely it would be better to turn the fourth floor into a gallery for the display of works by current Canadian artists. What about the McMichael collection, which is still looking for a home while its gallery is being refurbished?

I am also curious about the proliferation of busts everywhere one looks in the Legislature.

Mr. Foulds: What kind?

Mr. Robinson: I do not want to be provocative, and I think the member for Port Arthur will agree with me—

Mr. Foulds: You are being provocative just by using the word.

Mr. Robinson: Even he will agree with me that sometimes when I wander through these halls I feel somewhat like Madame Defarge from *A Tale of Two Cities*: I seem to be continually counting disembodied heads, which also seem to change with some degree of regularity.

Mr. Foulds: They are all Tories.

The Acting Speaker: Order.

An hon. member: That's better than the Liberals; they have no head.

Mr. Robinson: Still on the topic of old art, can anyone in this House remember when the displays in the cases on the first floor were last changed?

Mr. Foulds: Yes.

Mr. Robinson: The member for Port Arthur has been here since about 1952. Before the current display was put there, I understand there was a long period when those cases were completely empty. Surely it would not be too much trouble to change these displays with some degree of regularity. Certainly there is a great wealth of Ontario arts and crafts to draw from. As a matter of fact, I know this government is particularly anxious to promote all the good things Ontario has to offer. Take our "Good things grow in Ontario" advertisement.

Interjection.

Mr. Robinson: The member for Port Arthur is going to enjoy this part, and I ask for his kind attention for a couple of minutes. I draw his attention and that of the House to the sorry collection of plastic plants just behind the main stairwell. Surely these plastic horrors were not grown in Ontario. There must be some deserving real plants somewhere they could be replaced with.

That brings me to my last point, which has to do with the outside of the building. No longer do we have the award-winning flower beds adorning our building that we had a few years ago. I also draw to the attention of the House that on the west side of the main building there is a dying tree that has been left in that condition for almost a year.

There are very appropriate gestures that could be made to mark the centenary of this building. When this building was originally designed, its tower was meant to house a clock. That design was never fulfilled and I ask, Mr. Speaker, what could be more fitting than to unveil a historic timepiece for Ontario in the centenary year of this building? What would be a more fitting symbol of our living heritage than the symbol of time?

Mr. Mancini: Mr. Speaker, I am pleased to have an opportunity to speak on the resolution moved by the member for Mississauga North. I have been waiting for some time to find the correct forum to remark on some of the deficiencies of which all members are already aware. When one does raise some of these concerns in the chamber, sometimes staff or other people take action.

We are never going to correct the problems mentioned by the member for Scarborough-Ellesmere until the Legislative Building comes under the control of the Speaker. We have too many chiefs in charge of this building. There is the Ministry of Government Services, which on

its own has made plans for the expansion of the building into the two north wing parking lots. There is the Speaker, who is in charge of part of the building. I believe in some parliaments the Sergeant at Arms may be in charge of the dining room and other facilities.

Basically, the point I am trying to make is that we will never get anything resolved until the Speaker is put in charge. I am really saddened to find a government that has been in office for 40 years still has not been able to decide that the Speaker should be in charge of the building.

I question the wisdom of the standup urinal in the north wing of the parliament buildings being left unrepaired for more than two years and boxed in. I am not sure a health inspector would have allowed that to continue if he had witnessed it. I am not sure if the Speaker of the House would have allowed that gross-looking repair that was done to the north wing men's washroom to remain the way it is. It really is an obscenity.

4:50 p.m.

Second, I am sure that the offices that are given to members to use would not be of the same type and in the same condition as the ones the members use today. I wish all the members of the Legislature could have travelled with the standing committee on members' services to Quebec. The member for Simcoe East (Mr. McLean) was with us when we went to Quebec and visited the National Assembly. He saw how they are going to refurbish the members' offices over the next two or three years. Yes, they are going to spend considerable sums of money, but they view their National Assembly as a monument to their heritage and something that should be shown off, something that could make all Quebecers proud.

Just to give an example, I can recall before the last election when the members of the Liberal caucus occupied the entire first floor of the north wing. Many members had to stay in the inner offices. However, when the legislative research library was moved into that part of the north wing, and the members of the Liberal caucus were dispersed elsewhere, there were all kinds of activities there to try to fix up the offices and make them better looking. They erected glass sound barriers across the top of the offices which were not there before. Why was all this being done? My heavens, the legislative research department was going to occupy those offices. And why was it not done before? My goodness, it was only the members

who had use of those offices. I submit that these things would not happen if the building were under the control of the Speaker.

Have you gone up into the library lately, Mr. Speaker? Did you ever go into the library prior to the recent election? If you had the opportunity to do that, you would have noticed that at the back of the library were placed several nice desks, appropriately right next to the windows. It was like a working area that was semi-private. I can recall I went there myself on occasion and picked out two or three books, or had two or three reports from my office. I liked to sit there and read and work in a very comfortable atmosphere. That has all been eliminated now. Do you know what has happened to that space, Mr. Speaker? It looks God awful. They have broken it all up, cordoned it off and now it is some type of office for the staff. Over at the other far side of the corner they have a half-moon-shaped room that is supposed to be a members' reading room. There is absolutely no privacy there. I am surprised—

The Acting Speaker: The member's time has expired.

Mr. Mancini: Mr. Speaker, I am sorry that I had so little time to address the House. There were several other important things I wanted to bring to the attention of the Legislature. We are going to solve these problems only when the Speaker takes control of the House.

MINISTRY EXAMINATION

Mr. Elston moved resolution 17:

That this House direct the standing committee on administration of justice to immediately conduct an examination of the capabilities of the Ministry of Consumer and Commercial Relations to license, monitor and investigate the financial institutions of this province.

Mr. Elston: Mr. Speaker, I wonder if you might advise me at the 15-minute time of my remarks.

The Acting Speaker: So you can reserve five minutes, is that it?

Mr. Elston: Yes.

The Acting Speaker: Very good.

Mr. Elston: Mr. Speaker, the question of the capabilities of the Ministry of Consumer and Commercial Relations has been a continuing issue in this House for more than a year now. We have had occasion to witness in the past year several terrible calamities in relation to financial institutions in the province. These are well known to the members, I am sure, but let me repeat the names of those catastrophes.

First, the Argosy companies collapsed. These companies were primarily Argosy Finance Company Limited and Argosy Investments Limited, whose collapse in March 1980 led to approximately 1,600 investors losing upwards of \$30 million. Following shortly after that was the collapse of the Montemurro empire, including Astra Trust Company, Re-Mor Investment Management Corporation and C and M Financial Consultants Limited, which cost more than 500 individuals upwards of \$10 million.

If that was not enough, in February 1981 there was the collapse of Co-operative Health Services of Ontario, including its subsidiary, Delta Dental Plan, which affected approximately 140,000 of their dental and extended health care subscribers in Ontario.

Taken as a whole, this group of collapses brings into question the capabilities of the Ministry of Consumer and Commercial Relations through the business practices division, the financial institutions division and the Ontario Securities Commission to deal with the monitoring of the licensing and continued operation of these various financial institutions.

What is even more disturbing is the response to these collapses by the ministry and various other segments of the government. The government has made every effort it can to shift the blame for these collapses to various other areas that may have had some responsibility in dealing with the monitoring of these institutions. It does not seem to want to come to grips with the fact that these institutions, which were in operation in Ontario, failed in Ontario. It failed to give protection to the various consumers who were investing in their operations.

In the case of Co-operative Health Services, the minister at the time of the collapse in February 1981 went out of his way to congratulate his staff for uncovering what he called a scam. Despite the fact that Co-operative Health Services had its licence to operate renewed by the ministry less than a year before its collapse, and despite the serious concerns of the staff of the ministry at the time, the operation of that firm was allowed to continue by the minister.

He congratulated his ministry despite his ministry having monitored the operation of that company. They discovered during the monitoring period that the firm's surplus to cover claims had dwindled from \$1.3 million to about \$11,000 in eight short months. The minister at that time had the nerve to congratulate his ministry for uncovering this scam, and yet he allowed the company to continue its operations.

He congratulated his ministry despite the fact that Delta Dental Plan in another corporate form had been closed down by the ministry in 1976 because of the same sort of practices that led to the ultimate collapse of Co-operative Health Services in 1981.

In the case of Astra and Re-Mor, the government has tried to place the blame on the federal government for having granted a trust company charter to Astra in 1977, despite the fact that the ministry granted Astra a licence so it could operate in Ontario, despite the fact that Astra supposedly was monitored by the registrar of loan and trust corporations for the Ministry of Consumer and Commercial Relations, and despite the fact that both C and M Financial Consultants and Re-Mor Investment Management Corporation were granted mortgage brokers' licences by the registrar of mortgage brokers for the Ministry of Consumer and Commercial Relations.

This organization presumably was monitoring these various companies. For two years prior to the Astra and Re-Mor collapse, the ministry, with the Ontario Securities Commission in the lead, was investigating the operation of these companies.

It would be enlightening to examine in some detail the depth of the Argosy collapse and the government's response, because it highlights the government's view of its responsibilities and, more specifically, its lack of response to the problem in this area.

5 p.m.

The sad aspect of the Argosy fiasco is the amount of misunderstanding that exists among the media and the public in general concerning what happened. It seems to be the common belief held by the public and by the media that the investors lost their money because they bought into high-risk mortgage situations. It seems to me that this misinformation, spread in whatever fashion, is very important, because it really means the general public feels that the Argosy investors were after the quick dollar and therefore should not be considered worthy of the very support and protection that the ministry ought to provide the various honest investors in Ontario.

It seems to me that, with the creation of the impression that these people were high-risk gamblers, the Tories could appear as champions of the interest of all Ontarians when they adamantly refused the demands of these investors for justice during the election of March 1981.

It seems to me that, by portraying these investors as authors of their own fate, the government is ducking the responsibility of telling the people in Ontario what it is doing to ensure that it does not happen to the honest people of Ontario who are trying to invest in the future of various projects and trying to provide themselves with some kind of income security.

It is incredible how insidious this approach is. They spread the word that these people were speculators, like investors in penny-ante mining stock, and immediately all public sympathy for their plight, all public outrage at the inequity they have suffered, disappears.

The Tory government took advantage of a public myth that there were numerous classes of people out there waiting for a government handout. It manipulated the public opinion to believe that the Argosy investors were just one more part of a very avaricious mob. It is a shame that this sort of public manipulation was used.

The government members of this House should talk to the Argosy investors. I would like to see how many investors they could find who thought they were buying into a high-risk mortgage. On the contrary, the great majority of them thought they were buying good first mortgages on properties where the appraised value of the property was well above the value of the mortgage.

Far from being speculators, a great majority of them were motivated by the desire to find a safe investment for their savings. How similar to the Re-Mor/Astra situation. They were people looking to secure their future, looking for a way to make sure their lifelong savings were not evaporated in the inflationary times we are living in.

It was only after the Argosy collapse that these Argosy investors discovered the mortgages in question were third, second and even fourth mortgages on properties where the total mortgage value grossly exceeded the appraised market value. What a travesty. These people had been misled and misled very badly.

That is only part of the story. Looking at the documentation that the Argosy investors received, one would be led to believe that the investors had bought no part of any mortgage whatever. The investors thought they were one of the mortgagees; that is to say, one of the people who had lent the money to the mortgagor with the property as security. In fact, the only mortgage that existed was held in the name of a corporation called Argosy Investments Limited, and these people had no security whatsoever.

What they got was nothing in terms of security. All they had was a piece of paper called a trust agreement with Argosy. The investors had lent Argosy Finance Company Limited money for which Argosy agreed to pay them a stated interest rate. Loans were totally unsecured, without even an expiry date. Indeed, when some investors asked for their money back, they were told they would have to die first to get it. Similar to the situation with the Re-Mor/Astra Trust people, many of them may very well die before they get it back.

This was at a time when the Ministry of Consumer and Commercial Relations was telling the people of Ontario that they were monitoring and licensing and making sure that the financial institutions in this province were sound and good for the people of Ontario.

If members are among those people who got burned, they may say, as the Premier (Mr. Davis) and the then Minister of Consumer and Commercial Relations (Mr. Drea) intimated during the election campaign, that a fool and his money are easily parted. I do not say that. I say Argosy Investments Limited was licensed as a mortgage broker by the Ontario government. I say Argosy Financial Group of Canada Limited was registered as a securities issuer by the Ontario Securities Commission. I say London Loan Company Limited, an Argosy subsidiary, was licensed as a loan company by the Ministry of Consumer and Commercial Relations.

When finance companies are so licensed and are required by law to be licensed in order to do business in Ontario, I say there is a justifiable expectation on the part of the public that they are being policed and supervised by the regulatory agencies which license them. I say there is a corresponding obligation on the part of the government of Ontario to see this elementary trust is not misplaced. That is the very problem we hope to get at. We hope to find out whether the Ministry of Consumer and Commercial Relations is in a position to ensure this very basic obligation they have to the people of Ontario is being carried out.

Let us look specifically at one of the many issues reflecting on the regulatory performance in the monitoring of the Argosy companies: In October of 1979 the Ontario Securities Commission accepted a prospectus from Argosy Financial Group of Canada Limited which allowed the company to sell \$3 million worth of unsecured debentures. So often we have heard the former minister (Mr. Drea) say the investors were warned in that prospectus that these

debentures were high-risk investments. Indeed they were so warned. But what Mr. Drea did not say was that the prospectus contained a gross misstatement of a material fact.

It contains an Argosy financial statement which provided only \$360,000 as an allowance for doubtful debts. In fact, as we now know from the report of the receiver, loans and mortgages totalling almost \$30 million were in default at the time that prospectus was accepted. It was \$30 million in default at a time when this company was being monitored.

The Ontario Securities Commission requires a financial statement submitted with the prospectus be audited only for the latest recording period. The Tory government has maintained that Argosy investors should have known what they were getting into. What should they have known? That the public watchdog, the Ontario Securities Commission, had accepted an Argosy prospectus which was grossly inaccurate and misleading?

Let me raise another question: Argosy Investments Limited was licensed as a mortgage broker with the Ontario Ministry of Consumer and Commercial Relations. On December 10, 1973, the chairman of the commercial registration appeal tribunal issued the following order: "That the continued registration of Argosy Investments shall be subject to the condition that John David Carnie shall forthwith surrender and give up"—

The Deputy Speaker: One minute left Mr. Elston.

Mr. Elston: Oh, thank you.— "shall give up share or shares of Argosy Investments Limited." This order was precipitated by Mr. Carnie's conviction for conversion of funds.

On questioning in the House last spring, the then Minister of Consumer and Commercial Relations indicated this condition was in effect for only one year. That is the explanation why Mr. Carnie was able to get back, in a substantial way, into the operation of the firm from the mid-1970s up to its ultimate collapse.

I would like to know whether the need for this condition was addressed by the registrar of mortgage brokers when Argosy's licence came up for renewal in 1975.

The Deputy Speaker: Time.

Mr. Elston: These various points, Mr. Speaker, lead me to believe there has to be an inquiry by this House as to whether or not the ministry is able to direct its attention to these important matters.

The Deputy Speaker: You have approximately five minutes left. The hon. member for Port Arthur?

Mr. Foulds: I would like a point of privilege for 30 seconds before the member for Welland-Thorold (Mr. Swart) speaks on the item.

The Deputy Speaker: Yes?

Mr. Foulds: I would like to welcome to the gallery his wife, Thelma. It happens to be their anniversary and I think he is going above and beyond the call of duty being in the House today— but I would like to welcome his wife, Thelma.

The Deputy Speaker: Only the member for Port Arthur could sneak that in. The member for Welland-Thorold, and congratulations.

Mr. Swart: Thank you, Mr. Speaker, and I want to thank the member for Port Arthur for welcoming my wife here on our forty-third wedding anniversary. I assure you I am not going to be here this evening.

Mr. Stokes: I can assure the House that she deserves a medal.

Mr. Swart: My colleague would get a lot of support in that.

5:10 p.m.

Mr. Riddell: Oh, I do not think you are such a bad guy.

Mr. Swart: He must be in a magnanimous frame of mind this afternoon.

Mr. Speaker, it will come as no surprise to anyone that I rise to speak in support of the motion that is before us. I think it is no surprise to anyone that the Liberal member for Huron-Bruce moved such a motion and it will come as no surprise to anyone that those over there on the government side are going to oppose it—either block it or vote against it, so it will not get anywhere in the House tonight or, for that matter, at any time in the future.

I immediately want to make two contradictory comments on this; and both of them are true. The resolution calls for the conduct of “an examination of the capabilities of the Ministry of Consumer and Commercial Relations to license, monitor and investigate the financial institutions of this province.” It is really not necessary to have this investigation. When one has three corporations, like Re-Mor, Co-operative Health Services of Ontario and Argosy, which have gone under and taken their investors down with them in a period of one year, it is self-evident this ministry is not capable of conducting the affairs of financial institutions and perhaps of the whole province.

The second contradictory comment I want to make is that the ministry is of course capable of licensing, monitoring and investigating the financial institutions of this province. It is simply that they lack the will to do it—and they lack the willingness to admit the colossal bungling, or worse, that has taken place with those three and, for that matter, with a number of other financial institutions as well.

I support this resolution. I think we should have this investigation—and not just in the interests of openness of government, although that is exceedingly important. We do not have any legislation from the government yet, but they keep talking about freedom of information. Maybe you could implore them on some occasion to actually do something about it and live up to their lip service. I think it is good for a democracy to know what is going on in the government.

I think it is important, too, that the members of this Legislature, including our colleagues across the hall, be able to make decisions on the reforms that are needed on the basis of what has happened in the past. I think it is pretty important that members know what has happened in the past so they can make the necessary reforms, because surely they must agree that tremendous reforms are needed in that ministry—and particularly in that section of the ministry.

But most of all we can really only determine whether society, through this government and its bungling, has incurred an obligation to compensate those victims. To make that determination, everybody in this House should know the degree of the incompetence, political pressures, bungling or whatever happened on that side of the House that permitted these situations to come into being.

I think it is good for democracy that the people know; I think it is good this House knows; and I think it is good that investors know what actually did take place. Even a partial investigation, the bit that was carried out last January and February until the plug was pulled, really had some beneficial result. I think the members opposite must admit that. The Premier (Mr. Davis) said during his election campaign that if the government were proved negligent they would reimburse the investors. He would never have made that commitment if they had not had that investigation—no possibility.

Of course, the government is not living up to that commitment—at least it does not appear

they are going to. They are backing off. They are now telling us such things as we are going to have to prove bad faith, which is a very different matter. But because we did at least a partial investigation in one case, the Premier expressed an opinion there was responsibility on the part of the Ontario government.

I ask my friends over there—particularly those sitting in the back benches who perhaps have not yet become so completely clouded in a partisan way that they can still exercise the facilities they have above the shoulders—if it proved beneficial to have half an investigation of one item do they not think it would be good to investigate all three and really find out what happened? If they found that out and it became public knowledge the government of this province might think, “My gosh, maybe those people deserve some compensation.”

I know the government would not go that far—not when it has a majority in particular. The majority on the justice committee has blocked every attempt we have made to do a thorough investigation. I do not need to go into that in any depth. The heading on Hugh Winsor’s column back on Friday, May 29, was “Coverup of Tory Mistakes” and I quote: “There is no question it was the guillotine the Conservative government wanted to cut off any further discussion about what is known in short form as the Re-Mor case and it was prepared to use its majority on the justice committee to be the executioner.” Some of the back-benchers were presiding over the execution.

“That majority has blocked every suggestion put forward by the Liberals and the New Democrats on the committee relating to the scandal involving several related financial companies controlled by Niagara Falls promoter Carlo Montemurro, regardless of how simple or how profound. They would not even permit the trustee in bankruptcy to be called to indicate what, if anything, he has been able to do for the several hundred investors who lost their life savings.” That is carrying it a bit far—to prevent us from even finding out that information.

“The Tories didn’t even try to counter the arguments put forward by the opposition members. They merely reiterated the arguments they tried to use to block the inquiry last fall and were outvoted on—as if the wide-ranging inquiry that was cut off in mid-breath by the election had never happened.” That was an independent columnist who made that comment and I think it carries a lot of validity.

I would think they would not only want to live

up to the commitment of the Premier but they would want to live up to other commitments that were given a little bit later. I have here a letter that was written by the member for Carleton East (Mr. MacQuarrie) to the secretary of the Re-Mor investors committee, Mrs. L. Barabas. Let me read just briefly from the paragraph he wrote in his letter dated—

The Deputy Speaker: One minute please.

Mr. Swart: —June 25, 1981. He makes this comment, “It is hoped that the situation will be clarified by fall and well on the way to being justly resolved. In the event that matters have not been greatly clarified by fall, it might well be appropriate for the committee to consider a review of its own.”

That is what the resolution asks, that the committee consider a review of these matters, not only Re-Mor but even the more scandalous situation we have never got to in Co-operative Health Services and in Argosy. I say that advisedly—they are scandalous. In the case of Argosy, where the president of that corporation had been ordered not to trade by the brokers department seven years in advance and he kept on for those seven years and was president of the company, that deserves investigation—as do all the rest of them.

5:20 p.m.

Mr. Mitchell: Mr. Speaker, I cannot personally accept the request of the honourable member in his resolution, “That this House direct the standing committee on administration of justice to immediately conduct an examination of the capabilities of the Ministry of Consumer and Commercial Relations to license, monitor and investigate the financial institutions of this province.” That is one that cannot be accepted.

Licensing, monitoring and investigating must be viewed in the context of the province’s ability by law to regulate the activity of such institutions. By and large the financial institutions operating in the province in the insurance, loan and trust field are federal corporations. At this point one should point out, since it has been raised, that Astra Trust was the keystone for the house of cards that has been talked about by other members here.

Mr. Elston: I have already dealt with that.

Mr. Swart: “Of this province,” not in this province.

Mr. Mitchell: That is all right; that member has already been heard.

It is my understanding that the board, if not

the membership of Co-operative Health Services, had accepted the very financial statement that was used to close down that organization. If we are talking about the solvency of such institutions the select committee on company law has already recognized that the federal government has the prime responsibility for solvency of these institutions.

Relatively few insurance, loan and trust corporations operating in Ontario are provincial corporations whereby solvency is the responsibility of the provincial government. I think it should be pointed out that provincial licensing is basically to submit such institutions to those areas which are of paramount provincial concern, such as submitting them to a common form of reporting or to bring them under a common system with respect to their contracts with the public they serve.

It should also be borne in mind that while this divided jurisdiction exists, we in Ontario have been well served over the years by the relatively few number of failures that have existed. We do not have the capacity to prohibit such companies from operating within the province, but it is fair to say that we do have a great deal of contact with the federal government. And the standards for our own institutions are basically similar to, if not more stringent than, the federal requirements.

Such a request must also bear in mind recent developments in the economic climate in which such institutions find themselves. Rapidly-escalating interest rates have created a strain in the system. Many of the traditional methods of operating with respect to investments backing up the obligations of such institutions have created situations where we now have reduced profits on operations. In effect companies are endeavouring to stay in the marketplace to preserve the business they have bought and paid for on their books by utilizing reserve funds. Unfortunately, we are in a no-growth situation and over the years the capabilities of our institutions to respond to our citizens' needs will be reduced.

Many of these institutions will survive and be stronger. We are fundamentally committed to the belief that solutions to these problems will come from sound decisions of boards of directors and management of the institutions concerned. That has always been our philosophy and by and large this has served Ontario well.

One of the unfortunate features of the government's role in licensing is that where there is a breakdown in the system it is basically where

boards of directors and management do not operate in the best interest of the public they serve. The sound, fundamental principles of business are broken. It is then our responsibility to remove their licence and ability to deal with Ontario residents. That has happened and there is no way any committee or this House can guarantee against this ever happening in the future.

Management of these institutions represent their shareholders and/or members. That is their prime role. Simply taking away a licence as some members would advocate is not the solution for the customers of these institutions. Indeed, they are the ones who will suffer most. There are no simplistic solutions and at the present time there is a heavy demand to find answers in light of our current economic conditions.

It is essential to characterize the nature of any problem. As long as we have human beings in charge of financial institutions mistakes will happen. Most mistakes, if honest, can be rectified and are rectified by the institution itself. Our role in such instances is to work with them and assist, wherever possible, towards the solution. We feel we do have the people who can do this and in a spirit of co-operation results will be achieved. There are many saves that are never known. It is only the failures that become public.

It is fundamentally important at this time that we have confidence in our financial institutions. By and large these are run by mature, responsible people who want to succeed for all interested parties. Both the Minister of Consumer and Commercial Relations (Mr. Walker) and the Treasurer (Mr. F. S. Miller) have illustrated their confidence in the credit union movement by providing a guaranty to the Ontario Share and Deposit Insurance Corporation as outlined in the Credit Unions and Caisse Populaires Amendment Act which was recently introduced in this House.

Accordingly, I say there is no need to conduct an examination of the capabilities of the ministry because it would be unwarranted. Further, to launch into such an examination can only reflect on the integrity of the financial institutions in the province and much of the information could unnecessarily reflect on the capabilities of these institutions. Accordingly, I will not support this resolution as it would be irresponsible to do so.

The estimates of the ministry are coming before the standing committee on administra-

tion of justice and, in the proper framework, the purpose of this resolution can be served. As the minister has already indicated to the justice committee, the ministry is in the process of introducing a new computer system to serve all agencies, divisions and commissions within the ministry. This is moving rapidly towards the implementation stage. There will be four stages until final implementation at a cost of some \$350,000. Direct access to names will be made available to all operating divisions. All corporate structures will be able to be traced. All major players are subject to police checks, name checks, credit checks and sheriff's certificates. Increased investigative powers are available within the ministry and there is a free flow of information between investigators.

As to enforcement, from June 30, 1980, to September 30, 1981, there have been 1,281 regular inspections in mortgage broker areas. Accountants have reviewed 789 financial statements and there have been 24 in-depth financial investigations. There have been 383 terminations of registrations in the past 15 months.

In addition some 20 mortgage broker operations have been examined to see if they are using agreement forms on mortgage syndications that imply to the public that a trust company is involved or that trust company duties are being assumed. Two cases have been referred to the crown law office for possible prosecution. I think it is fair to say the ministry has curbed the kind of events that happened some time ago, but again, a rehash of this whole process at this time will serve no useful purpose.

Mr. Cunningham: I want to comment on this briefly. At the outset, I would say I really find the position taken by some of the members opposite with regard to their role as members of the assembly to be somewhat strange. To think for one tenth of one second that we can set aside our obligations and responsibilities as members of the assembly because a certain case in law may be taking place down the street, either at the county court level or at the Supreme Court level is, as my Ottawa colleague suggested, a cop-out.

We have very real responsibilities to the people of Ontario and, I would think, even to taxpayers and citizens of other jurisdictions who choose to invest in Ontario or to invest through our Toronto Stock Exchange as governed by the Ontario Securities Commission.

What I find particularly disappointing in this issue is the insistence on the part of the government ostensibly to cover up the entire

matter of Astra Trust, Re-Mor and the failure of C and M Financial Consultants since the government obtained a majority. Perhaps the most disappointing feature in the discussions we have had is the total and absolute reluctance on the part of government members to look at the painfully obvious inefficiency in one ministry.

Many of the members now here were not members of the assembly at the time, but when the matter of Astra Trust and Re-Mor was first addressed, the then minister, the member for Scarborough Centre (Mr. Drea) said, "This is another pickle that your federal friends are in." He left the illusion for members of the assembly that this was a federal matter and that the deficiencies, albeit very apparent, were entirely federally-oriented. Nothing could have been further from reality.

5:30 p.m.

The harsh facts are that many of these companies were licensed under Ontario statutes, under the Mortgage Brokers Act or, more specifically as in the case of Astra Trust, under the Loan and Trust Corporations Act. These are provincial items of legislation and areas of responsibility that we have before us. The existence of some case in law should not in any way prevent us from a very detailed examination of what is going on.

I think members of the assembly should be brought up to date with what is going on with the Ontario Securities Commission. More and more investment is taking place in Ontario and the public interest requires that they be properly staffed and any areas of duplication, any areas of confusion, be eliminated in their entirety.

What is really disappointing is the reluctance on the part of the government to accept the advice it received in a letter dated February 24, 1981, during the course of the election, from the receiver, the vice-president of Deloitte Haskins and Sells Limited, Mr. Barry Brace, CA. Mr. Brace took great time and effort to indicate some of his concerns in this letter, which was addressed both to Mr. Crosbie, the Deputy Minister of the Ministry of Consumer and Commercial Relations, who is down in the estimates at this moment, and to the federal superintendent of insurance.

In that preliminary report to the creditors on the subject of Re-Mor he made a number of comments. I would like to share some of them briefly with the members, mindful, of course, that Mr. Brace had no political axe to grind whatsoever and must be, I think, determined to be objective. He said in part:

"A comprehensive investigation is being carried on by the various receivers and liquidators, several police departments, ourselves and others into all aspects of the affairs of Re-Mor, Astra Trust Company and their affiliates. A few of the findings of that investigation have recently been made public in hearings before the justice committee of the Ontario Legislature, and we are facing increasing pressure to issue an interim report on our receivership.

"There are a number of major issues which have not yet been fully resolved, including questions of possible criminal activities. However, we will confine ourselves in this letter to civil matters. They include the quantum of the realization of the mortgage portfolio of Re-Mor and the recoveries on the ancillary damage claims in tracing remedies. Two, the precise extent of the liability of the Canada Deposit Insurance Corporation to pay the insurance to the investors in Re-Mor. Three, the liability of the federal crown and the provincial crown in respect of alleged negligence in licensing, monitoring and regulating the operations of Astra Trust and Re-Mor. Finally, the extent, if any, of any improprieties in the licensing and regulating of Astra Trust Company and Re-Mor."

Mr. Brace went on to say: "With respect to allegations of negligence by the two levels of government in the licensing and regulating of Astra Trust and Re-Mor, we were led to conclude that: One, there were facts available to various government officers which if they had been properly integrated would have suggested that neither Astra Trust nor Re-Mor should have been licensed. Two, there were from the beginning repeated incidents, breaches of undertakings and breaches of licence conditions which indicated a clear and present danger that the principals of the trust company were functioning without any concept of fiduciary obligation. Opportunities were presented by these warnings to conduct a thorough investigation, rigidly control the operation, correct the improprieties or ultimately close the operation, and they were not taken.

"Decisive action was not taken at any level of government in the face of these repeated opportunities until the depredations were too far advanced."

Finally Mr. Brace stated: "There was jurisdictional confusion between the responsibilities of different levels of government as well as those of different departments and authorities. This confusion was a major contributor to the damage that occurred."

Quite clearly, while he did not articulate it in his letter, Mr. Brace speaks of the continuing difficulties that are experienced between the Ontario Securities Commission and the ministry itself. I believe these inefficiencies and deficiencies have not been corrected. I have no reason to believe otherwise.

I am impressed with some efforts to update the operations of the Mortgage Brokers Act. That is long overdue. In all sincerity, unless the government involves itself in a very real way to re-evaluate and reappraise this entire situation and possibly to look carefully at what Mr. Brace has suggested in his final report, I am afraid we are going to wake up some day, pick up one of our morning papers and find that yet another financial institution has collapsed and yet again hundreds of people who invested their money in good faith have lost their life savings.

I have these constituents in my own riding, as you are well aware, Mr. Speaker. There is a couple around the corner from where I live in the village of Waterdown who are now 74 and 75 years old. They are unwell. They have lost their life savings in this financial fiasco.

I will not prejudge or comment in any way that would violate the doctrine of sub judice. I did not do so as a member of the standing committee on administration of justice when we involved ourselves in these discussions earlier in the year. I hope this government takes it upon itself to involve itself in a very real way to correct this mess.

The operations of this ministry in the last two years have been a litany of failure after failure. There was the failure of Co-operative Health Services, which the minister would say was taken over by sharks. Then he blamed the Canadian Imperial Bank of Commerce. He would blame almost anybody he could except look in the mirror and face the responsibilities he, as the minister, should accept.

The failure of Argosy has taken with it the life savings of possibly hundreds of people. Finally, we have the issue at hand, the subject of Astra and Re-Mor, which has been the necessity for this resolution.

I hope the government supports it. I hope we can stop playing partisan games in this Legislature and get on with the responsibilities we are delegated to discharge here; that is, to make sure we set up and effectively monitor legislation that is in the best interests of the taxpayers of Ontario. Anything less than that is an abrogation of our responsibilities and a failure to discharge them. The time is overripe to see we get on with the job.

Mr. Philip: Mr. Speaker, I rise in support of this motion. As chairman of the standing committee on administration of justice, I had the responsibility of presiding over the committee in its deliberations and investigation into the travesty that happened during the Re-Mor fiasco.

We turned in an interim report knowing full well that in a matter of hours there would be an election called and knowing that our work in that committee would be interrupted by that election. In the interim report, we regretted that we were not able to complete our inquiry. There have been attempts since then, time and time again, by both opposition parties to continue the work we were given by the Legislature at that time, to continue our inquiry into the maladministration of the Ministry of Consumer and Commercial Relations.

All of us who sat there day after day, be they Conservatives, Liberals or New Democrats, were impressed by the fact that there was overwhelming evidence that serious maladministration of relevant provincial laws occurred with respect to protecting investors in this province—ordinary people, not the high rollers the Conservatives like to pretend we were trying to protect as they spread their election propaganda.

They were ordinary people who had invested their life savings and sold their homes because they could no longer keep them up. They were moving into apartment buildings and depended on living on that income for the rest of their lives. They were ripped off in a province that supposedly has laws to protect ordinary people.

We pointed out in our interim report there was evidence that Mr. John Clement, the former Minister of Consumer and Commercial Relations and the former Attorney General of Ontario, had exerted political influence on provincial officials to obtain the provincial registration for Astra Trust.

This party, both myself and other members, as well as the Liberal Party, have asked, when is this government going to come to grips with conflict of interest? When is it going to introduce laws and rules regarding conflict of interest, not only of ministers but also more particularly of ex-ministers and former high-ranking civil servants.

5:40 p.m.

The government refuses to deal with that question, and this incident may only be one of a series. Indeed, if we look at what has happened

in the last year, in one year's time we have seen three major financial scandals in this one part of one ministry—in 12 months, three institutions.

The first such scandal was the failure of John David Carnie's Toronto-based firm, Argosy, which went down with a loss of some \$26 million in mortgage and debenture investments. Then came the messy collapse of Re-Mor, which the justice committee had started its investigations into, and C and M Financial Consultants Limited and Astra Trust, in which more than \$10 million was lost or stolen in the Niagara Falls area.

About 1,600 investors lost savings in Argosy's default, and more than 600 were stung when Mr. Montemurro's companies failed. But a far greater number of persons have been put at risk in the collapse of Co-operative Health Services of Ontario. How many disasters do we need in a 12-month period to convince members on that side of the House that an inquiry is needed?

What we are dealing with is the incompetence of the government and not a matter before the courts. When we first introduced our resolution in this House, the Attorney General (Mr. McMurtry), who is supposed to be above party politics and who, as the chief law enforcement officer in the province, is supposed to protect the rights of individuals, introduced the whole argument of sub judice. It was so ridiculous that it was laughed out of the newspapers, and finally he had to back off on that.

When that did not work, they tried to convince everybody that the justice committee was so incompetent that documents would be leaked and the work of the court would be interrupted. When the justice committee showed over and over again by the very responsible way it operated that this did not happen and that the paper tigers the minister had floated were nothing but paper tigers that did not materialize into anything, they tried something more. They went around in the election and tried to say, "Well, the NDP and the Liberals are trying to protect the high rollers, the speculators."

Of course, there were no high rollers and speculators in these cases. If one looks at the investment, if one looks at what Mr. Montemurro and his gang were paying, they were actually paying a percentage of one per cent more than the going rate in any trust company or bank or reputable operation that elderly people and others—working-class people—would invest their money in.

Then, of course, we have the promise by the Premier, along with all the other promises he

has since reneged on, that justice would be done to these people. Well, we have seen what kind of justice would be done. A few days after the election, we had the Minister of Consumer and Commercial Relations saying that he would fight it all the way in the courts and that they were going to fight it on technical grounds. Where is the justice, then, to these people? We know that in the present system under the act justice will not be done to these people and that the Premier is backing off from another promise.

What is before us surely must be important to Conservatives. What is before us is the issue of confidence in the investment system. If the government were to get out of licensing and say that it is not going to bother licensing mortgage brokers, that it is not going to bother protecting people under the Insurance Act and that the Ministry of Consumer and Commercial Relations is not capable of offering those protections, at least it would be honest with the public and then it would be a case of saying, "Let the investor beware."

But the government does not do that. It sets up a mechanism, it tries to convince people that they are being protected, and then it allows three major disasters to occur in less than 12 months.

When that happens, I say that what is required is not a judicial investigation but rather a political investigation, because it is political incompetence that is before us; it is the incompetence of this government to provide the kind of protection, the incompetence of those key people who were working under the Minister of Consumer and Commercial Relations that allowed one disaster after another. They had so many red tags over in that ministry it is a wonder they did not bankrupt their stationery allocation with red tags. They red-tagged it, red-flagged it, but did nothing.

Then we look at the case of Argosy; isn't that a beautiful one? Mr. Simone, the registrar of mortgage brokers, wrote to the president of Argosy Investments describing their mortgages as being, in effect, a cross between an umbrella mortgage and a blanket mortgage with an unconscionable twist. Where was the securities commission when all of this happened? Why do we have these three disasters in a 12-month period? Then this government has the audacity to say that no inquiry is necessary.

What we have now in the justice committee under the majority government—

Mr. Speaker: The honourable member's time has expired.

Mr. Philip: —is not a justice committee; it is a coverup committee, and it should be recognized for what it is.

Mr. Elston: Mr. Speaker, I am pleased to be able to wrap up on this particular matter, and I am encouraged to see in attendance in the House a large number of members who wish to hear the remaining portion of my summation. I just want to remind the individuals that, in fact, we dealt at length with some of the matters that caused us concern in relation to the Argosy problems.

I am more pleased to note the attendance in the House of several of the members of the former standing committee on administration of justice which dealt with the inquiry concerning Re-Mor. The member for St. Catharines (Mr. Bradley) was instrumental in proceeding to deal with that matter. The member for Kitchener (Mr. Breithaupt), who has not yet arrived, was also instrumental in dealing with this matter and keeping it and bringing it in front of the public's attention.

It seems to me I must answer the position put forward by the member for Carleton (Mr. Mitchell) because, as has been the case many other times when resolutions and motions have been brought to the justice committee, he has again managed to display an ability to deflect attention from the real issue involved in the matter of Re-Mor/Astra, Argosy and the Co-operative Health Insurance problems. He has caused the attention of the members to be deflected to the idea that the various parties in opposition have no respect for the ability of the financial institutions to operate in a successful manner.

This resolution does not deal with the successful operations of financial institutions in this province; it deals with the problem of the lack of regulatory supervision by the Ministry of Consumer and Commercial Relations. It is in respect of this particular problem that I direct the attention of this House to the various defaults which I spoke about earlier; those three particular ones, the Co-op, Argosy and Re-Mor situations. I remind the Legislative Assembly members that the justice committee might well have considered this on their own, with the exception that I want to point out the long list of problems that have arisen since the March 19 election decision.

Before that time there was great co-operation among the members of the committee from all sides. But recently, motions on May 7, May 20, May 27, May 28, May 29 and later, in the past

two weeks, have been disturbing to the people who represent the various ridings in Ontario where members of the public have lost in relation to those very serious collapses. The members of the government party blocked every attempt to deal in a public manner with these particular collapses and get at the problem.

It is in relation to those difficulties that I bring to the attention of the members that they ought to direct the justice committee to investigate these very serious public matters to ensure that the people of Ontario are being protected by the various regulatory bodies that have been set up and established by the Ministry of Consumer and Commercial Relations to do the job of protecting the people who invest in these various bodies.

5:50 p.m.

It seems to me that when the committee has been blocked in the way it has over those past several weeks and in the spring that the Legislative Assembly should take it upon itself to direct that justice committee to deal with those very important matters and encourage the public of Ontario to think that in fact there is a move by the members of this Legislature to ensure that they are protected against the very collapses that have been witnessed by the province over this past year or so.

It seems to me that the efforts of people like the former member for Lincoln, Mr. Hall, who was instrumental in having this matter brought to the public's attention, the member for St. Catharines, the member for Kitchener and others who were in the justice committee when they were able to delve into the matter of Re-Mor, should not be terminated; they should be continued.

Mr. Speaker: The honourable member's time has expired.

Mr. Elston: I thank you for the opportunity, and I would ask support for this resolution.

PRESERVATION OF PARLIAMENT BUILDING

Mr. Speaker: Mr. Jones has moved resolution 22.

Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Resolution concurred in.

MINISTRY EXAMINATION

The House divided on Mr. Elston's motion of

resolution 17, which was negatived on the following vote:

Ayes

Boudria, Bradley, Breaugh, Breithaupt, Bryden, Cassidy, Charlton, Conway, Cooke, Copps, Cunningham, Di Santo, Elston, Epp, Foulds, Kerrio, Mackenzie, Mancini, Martel, McClellan, McEwen, McKessock, Newman;

Nixon, O'Neil, Philip, Renwick, Riddell, Roy, Ruprecht, Ruston, Samis, Spensieri, Stokes, Swart, Van Horne, Wildman, Wrye.

Nays

Andrewes, Baetz, Barlow, Bernier, Birch, Brandt, Cousens, Cureatz, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Havrot, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, McNeil, Miller, F. S., Mitchell;

Norton, Piché, Pollock, Pope, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Williams, Wiseman, Yakabuski.

Ayes 38; nays 59.

6 p.m.

BUSINESS OF THE HOUSE

Hon. Mr. Gregory: Mr. Speaker, before we recess the House for dinner, I would like to indicate the business for the remainder of this week and next week.

Tonight, we will do third reading of bills on the Order Paper and then resume debate on Bill 68.

Tomorrow, we will deal with the motion for interim supply standing in the name of the Treasurer (Mr. F. S. Miller) and then the estimates of the Ministry of Northern Affairs.

On Monday, November 2, we will continue consideration of the estimates of the Ministry of Northern Affairs.

On Tuesday, November 3, we will do second readings of Bills 2, 53, 55, 150 and 93 standing in the name of the Minister of Transportation and Communications (Mr. Snow) and then, if there is time, committee of the whole on those bills. At 8 p.m., we will do second readings of Bills 94, 137 and 142 standing in the name of the Minister of Revenue (Mr. Ashe) and then, if there is time, committee of the whole on those bills.

On Wednesday, November 3, the general

government, resources development and administration of justice committees may meet in the morning.

On Thursday, November 4, we will have private members' ballot items standing in the names of the member for Bellwoods (Mr. McClellan) and the member for Sarnia (Mr. Brandt). At 8 p.m., we will resume debate on the motion for adoption of the third report of the standing procedural affairs committee on agen-

cies, boards and commissions; then, if there is time, we will begin debate on the motion for adoption of the report of the standing committee on social development concerning urea formaldehyde foam insulation.

On Friday, November 5, we will resume consideration of the estimates of the Ministry of Northern Affairs.

The House recessed at 6:04 p.m.

CONTENTS

Thursday, October 29, 1981

Statements by the ministry

Ashe, Hon. G. L., Minister of Revenue:
 Tax grants for seniors. 2944

Baetz, Hon. R. C., Minister of Culture and Recreation:
 Assistance to Polish people. 2942

Bennett, Hon. C. F., Minister of Municipal Affairs and Housing:
 Planning legislation. 2940

Drea, Hon. F., Minister of Community and Social Services:
 Use of Depo-Provera. 2938
 Day care. 2939

Norton, Hon. K. C., Minister of the Environment:
 Whitchurch-Stouffville water quality. 2937

Oral questions

Davis, Hon. W. G., Premier:
 Constitutional package, Mr. Roy, Mr. Cassidy. 2952

Drea, Hon. F., Minister of Community and Social Services:
 Use of Depo-Provera, Mr. Breagh, Mr. McClellan. 2955

Grossman, Hon. L. S., Minister of Industry and Tourism:
 Massey-Ferguson layoffs, Mr. Smith, Mr. Mackenzie, Mr. Nixon, Mr. Cassidy,
 Mr. Riddell, Mr. Gillies, Mr. Cooke. 2946

Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics:
 Ontario energy investment, Mr. Smith, Mr. Cassidy, Mr. Peterson. 2945

Snow, Hon. J. W., Minister of Transportation and Communications:
 Railway service, Mr. Cassidy, Mr. Mancini, Mr. Stokes. 2950

Stephenson, Hon. B. M., Minister of Education and Minister of Colleges and Universities:
 University funding, Mr. Grande, Mr. Wrye. 2953

Timbrell, Hon. D. R., Minister of Health:
 Nursing home information, Mr. Van Horne. 2955

Walker, Hon. G. W., Minister of Consumer and Commercial Relations and Provincial Secretary for Justice:

Major Realty, Mr. Mancini. 2956

Welch, Hon. R. S., Minister of Energy:

Ontario energy investment, Mr. Smith, Mr. Cassidy, Mr. Peterson. 2945

Reports

Standing committee on resources development, Mr. Harris, tabled. 2956

Standing committee on general government, Mr. Barlow, adopted. 2956

Motion

Discharge of bill, Mr. Snow, agreed to. 2957

First readings

Barrie-Innisfil Annexation Act, Bill 156, Mr. Bennett, agreed to. 2957

Municipal Licensing Act, Bill 157, Mr. Bennett, agreed to. 2957

Municipal Conflict of Interest Act, Bill 158, Mr. Bennett, agreed to. 2957

Planning Act, Bill 159, Mr. Bennett, agreed to. 2957

Public Commercial Vehicles Amendment Act, Bill 160, Mr. Snow, agreed to. 2957

Arbour Day Act, Bill 161, Mr. Kennedy, agreed to. 2957

City of Windsor Act, Bill Pr23, Mr. Charlton, agreed to. 2958

Private members' public business

Preservation of Parliament Building, resolution 22, Mr. Jones, concurred in. 2958

Ministry examination, resolution 17, Mr. Elston, negatived. 2967

Other business

Interest rates, Mr. Mancini. 2938

Niagara River pollution, Mr. Kerrio. 2941

Royal Winter Fair, Mr. Riddell. 2942

Day care, Mr. Cassidy. 2943

Time for statements, Mr. Martel. 2944

Urea formaldehyde foam insulation, Mr. Van Horne. 2956

Answers to questions on Notice Paper and response to petition, Mr. Gregory, tabled. 2958

Business of the House, Mr. Gregory. 2977

Recess. 2978

SPEAKERS IN THIS ISSUE

Ashe, Hon. G. L.; Minister of Revenue (Durham West PC)

Baetz, Hon. R. C.; Minister of Culture and Recreation (Ottawa West PC)

Bennett, Hon. C. F.; Minister of Municipal Affairs and Housing (Ottawa South PC)

Boudria, D. (Prescott-Russell L)

Breaugh, M. J. (Oshawa NDP)

Breithaupt, J. R. (Kitchener L)

Cassidy, M. (Ottawa Centre NDP)

Cooke, D. S. (Windsor-Riverside NDP)

Cousens, D.; Acting Speaker (York Centre PC)

Cunningham, E. G. (Wentworth North L)
Cureatz, S. L.; Deputy Speaker (Durham East PC)
Davis, Hon. W. G.; Premier (Brampton PC)
Drea, Hon. F.; Minister of Community and Social Services (Scarborough Centre PC)
Elston, M. J. (Huron-Bruce L)
Epp, H. A. (Waterloo North L)
Foulds, J. F. (Port Arthur NDP)
Grande, T. (Oakwood NDP)
Gregory, Hon. M. E. C.; Minister without Portfolio (Mississauga East PC)
Grossman, Hon. L. S.; Minister of Industry and Tourism (St. Andrew-St. Patrick PC)
Henderson, Hon. L. C.; Minister of Agriculture and Food (Lambton PC)
Jones, T. (Mississauga North PC)
Kennedy, R. D. (Mississauga South PC)
Kerrio, V. G. (Niagara Falls L)
Laughren, F. (Nickel Belt NDP)
Mackenzie, R. W. (Hamilton East NDP)
Mancini, R. (Essex South L)
Martel, E. W. (Sudbury East NDP)
McClellan, R. A. (Bellwoods NDP)
Miller, Hon. F. S.; Treasurer of Ontario and Minister of Economics (Muskoka PC)
Mitchell, R. C. (Carleton PC)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Norton, Hon. K. C.; Minister of the Environment (Kingston and the Islands PC)
Peterson, D. R. (London Centre L)
Philip, E. T. (Etobicoke NDP)
Riddell, J. K. (Huron-Middlesex L)
Robinson, A. M. (Scarborough-Ellesmere PC)
Roy, A. J. (Ottawa East L)
Sargent, E. C. (Grey-Bruce L)
Smith, S. L. (Hamilton West L)
Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
Stephenson, Hon. B. M.; Minister of Education and Minister of Colleges and Universities
(York Mills PC)
Stokes, J. E. (Lake Nipigon NDP)
Swart, M. L. (Welland-Thorold NDP)
Timbrell, Hon. D. R.; Minister of Health (Don Mills PC)
Turner, Hon. J. M.; Speaker (Peterborough PC)
Van Horne, R. G. (London North L)
Welch, Hon. R. S.; Minister of Energy (Brock PC)
Wrye, W. M. (Windsor-Sandwich L)



Ontario

LEGISLATIVE ASSEMBLY

No. 83

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Thursday, October 29, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Thursday, October 29, 1981

The House resumed at 8 p.m.

THIRD READINGS

The following bills were given third reading on motion:

Bill 18, An Act to amend the Dog Licensing and Livestock and Poultry Protection Act.

Bill 19, An Act respecting the Marketing of Sheep and Wool.

Bill 74, An Act to amend the Livestock Branding Act.

Bill 141, An Act to amend the Power Corporation Act.

House in committee of the whole.

METROPOLITAN POLICE FORCE COMPLAINTS PROJECT ACT (continued)

Resuming consideration of Bill 68, An Act for the establishment and conduct of a Project in the Municipality of Metropolitan Toronto to improve methods of processing Complaints by members of the Public against Police Officers on the Metropolitan Police Force.

On section 5:

Mr. Chairman: We had an amendment by the member for Huron-Bruce (Mr. Elston), and we were in discussion with the member for Brant-Oxford-Norfolk (Mr. Nixon).

Mr. Nixon: Mr. Chairman, I feel there are one or two other things in this amendment that I would like to put before you, the minister and his advisers. It will be brief. I understand a number of our colleagues are attending to the business of the province in the presence of former Metro chairman Gardiner.

Hon. Mr. McMurtry: I didn't invite them.

Mr. Nixon: That is the way it is, Roy. It sometimes happens that way; the word leaks out. But our colleagues on both sides are attending to other business for a few moments.

When I was thinking of my remarks the other day on this amendment there is one thing I did not get around to saying. It was one of the points to the whole thing, and that is, I cannot understand why the Solicitor General has not asked his colleagues to advise His Honour to appoint a commission to look into the allegations having

to do with the problems that the Metropolitan Toronto police are at present experiencing.

Hon. Mr. McMurtry: I would be happy to address that.

Mr. Nixon: Wait a moment; I want to say some more about it. I come from a rural area. We have an Ontario Provincial Police car which comes into our township on occasion. While there is a certain amount of vandalism where every now and then there is a window in the school broken, we really do not have the problems of law enforcement. A few politicians sometimes drive faster than 80 kilometres per hour, and that sort of thing.

The OPP are very highly respected, just as the Metropolitan Toronto police are respected here. The idea of an allegation of the sort of gross torture and brutality that we read in the public press a few days ago is unthinkable. Most people do not even bother reading those stories when they are referring to Nicaragua. I do not want to slander Nicaragua; but I mean a banana republic or a Central American dictatorship.

Of course, some of our daily newspapers, including the Globe and Mail, give graphic details of the allegations which conjure up the weirdest visions when they talk about the staple guns and things like that. It is incredible. It is almost beyond belief that anybody could trump up a charge like that. In fact, the allegations are made by officers of the court, lawyers in Metropolitan Toronto. Am I using the wrong phrase? I see my good friend and adviser shake his head.

There was a time when the Solicitor General, no matter what the local authorities would do, would simply have a warrant signed by the Lieutenant Governor and have a commission investigate it, because those things cannot be left to investigation by the police. There should be no doubt about that. If there is evidence that they are malicious or, on an obvious basis, completely unfounded that is something else. But in this instance reputable citizens of the community are making these allegations.

The fact that the Solicitor General has said nothing about it and left it completely to the local responsibility surprises and, in fact, amazes me. He has indicated by his interjection that he

would like to say something about it. I would be very glad to hear what he has to say.

I am afraid if the minister or the chairman is assuming that in committee we all have our say and that he sums up, that is not correct. If he cares to take part in the discussion now he would be most welcome, because the idea of a committee review of a bill is that there is some give and take.

Hon. Mr. McMurtry: Mr. Chairman, while we are waiting for any other members who wish to participate I am quite prepared to indulge in the give and take that has been suggested. With respect to the recent allegations that are of great concern to the member for Brant-Oxford-Norfolk and, of course, to all of us any time serious allegations are made against the police, it is interesting to make the observation that until the member raised it last Tuesday evening no one has sought to ask any questions in the Legislature.

I have to say I do have a great confidence in the principle of the local authorities being given the opportunity to resolve some of these issues.

8:10 p.m.

I think it is a mistake every time a serious allegation is made against a particular police department—as concerned as we all are, given the enormous importance we attribute to maintaining the credibility of law enforcement in this province—for the Solicitor General or for the Attorney General to be making a pronouncement or taking it out of the hands of the local authority and setting up some sort of judicial inquiry or royal commission. I say this with great respect for the sincerity of what the member has said, and I have paid careful attention to all his remarks, because I believe they were motivated by sincerity.

For us to say, regardless of what evidence there may be, we are going to remove this issue from the local authority and set up a judicial inquiry or a royal commission is to undermine the confidence of the local authority to deal with difficult issues, and to undermine the confidence of the public in that local authority, which has been given a significant responsibility by the Legislature.

Taking the Citizens' Independent Review of Police Activities situation, for example, I have not received a single complaint from anybody associated with that group in relation to this, quite apart from any questions being asked in the Legislature. I believe the local chief of police in Metropolitan Toronto is one of the

most progressive chiefs of police in North America. I will have more to say about that in a few moments in relation to the legislation. He established an investigation manned by very senior officers which, if I can believe what I read in the press, appeared to surprise some of the lawyers involved in bringing forward these complaints. They were quoted in the local press to the effect that they did not expect such a prompt reaction.

I realize since last Tuesday night, and today from what I read in the press, the attitude of CIRPA has changed a little in so far as co-operating with the police is concerned. It is of absolute fundamental importance to give the local authorities who are given this responsibility by the Legislature an opportunity to resolve these issues.

During my six years here I have occasionally heard cries for royal commissions and judicial inquiries, and there are some who feel—I am sure they are motivated by the most legitimate feelings—that by establishing some sort of royal commission we automatically clear the air. As one who has been involved in a number of royal commissions into allegations of police wrongdoing, I regard that as a possible alternative in certain circumstances, but it is one that should be utilized as a last resort.

Let me give an example. In so doing I do not mean to cast any aspersions on one of my predecessors as Solicitor General. He is a very dear friend of mine, a very distinguished public servant in this Legislature for many years, the Honourable John Yaremko. He ordered a royal commission into the review of the allegations arising out of the incidents that occurred outside the Ontario Science Centre in relation to Mr. Kosygin's visit. This was around 1972, when there was a very unhappy disturbance.

I was a counsel for that royal commission. It was of particular concern to all of us because one of the minority communities that happened to be involved was the Ukrainian community, which certainly is a community that has made a special contribution to this province and to this country, people who are supportive of the police force.

The unhappiness that existed at that time between the Ukrainian community in Metro and the Metropolitan Toronto Police Force was of concern to everyone, because this was a community that had demonstrated so much and given so much to this province and, indeed, to most other provinces.

A royal commission was ordered and I sat as

counsel for the police department for seven or eight weeks, looking into an incident that took 20 or 25 minutes. There was a confrontation for seven weeks, allegations and confrontation between responsible members of the police force and responsible members of the Ukrainian community.

I have to tell the members that at the end of that royal commission a number of my friends who were involved in the Ukrainian community said, "We have been through this, but in retrospect it would have been much better if the chief of police, senior officers of the police department and the leaders of the Ukrainian community had sat down and attempted to resolve this issue at the community level."

As a result, we had a royal commission which really did create a lot of confrontation. I think we all learned something through it. The view of almost everybody who participated was that we would have probably accomplished a lot more if we had attempted to resolve this issue in an atmosphere that was not so replete with adversarial relationships.

What I am trying to say is, having been involved in issues relating to the police on all sides—I want to assure the honourable member I have never been arrested myself—having appeared for accused persons, having been part of this process for a quarter of a century, I have developed a great faith in the principle and the importance of attempting to deal with police-civilian issues at the community level, wherever possible encouraging dialogue, interaction, discussion and resolution at the community level.

As the founder of modern day policing, Sir Robert Peel, said 150 years ago, and we have all heard the quote many times, "The public are the police; the police are the public."

I think any time we attempt to devise mechanisms and processes that unnecessarily interfere with the sensitive and vital interaction between the police and the public and the public and the police in any particular community, we have to be very cautious about what we are doing.

There is a danger that, motivated by the best possible intentions, we are going to drive a wedge between the public and the police who serve them, that any gulfs that exist could be widened and any tensions could be exacerbated. This is very relevant to this legislation.

To suggest that the Solicitor General perhaps was not interested in the very serious allegations which have been made for the most part against the Metro Toronto holdup squad, and that I have not made a statement or have not ordered

some sort of judicial inquiry, is not to give fair recognition to local responsibility to resolve these issues to the extent that they can be resolved. This informal resolution—and it may not be possible in these particular circumstances—is very much a part of the process and one that has served the community well.

8:20 p.m.

I can assure members that as long as I am Solicitor General, every time there is an allegation against a particular police force I am not going to be jumping to my feet in the Legislature lecturing the local authorities, the local police department, because this parliament, in its wisdom, has delegated responsibility to these local authorities to resolve these issues where possible in their own communities. I think to do otherwise, as I have already stated, would be somewhat irresponsible.

If any other members want to speak at this time—I know there was a member who was part way through his remarks—I would be quite happy, when he arrives, to sit down and let him finish. While we are here I would like to address, if I might, the bill in general.

Mr. Nixon: Would you care to deal with this point as we sometimes do in committee and probably thrash it out? Would it be possible to do that?

Hon. Mr. McMurtry: I have no objection. Who would like to do that?

Mr. Nixon: I would like to do that, with your permission.

Mr. Chairman: Mr. Minister, prior to your late arrival last time, we tried to get into a general discussion of the bill and under standing orders we are to limit ourselves to section by section.

Hon. Mr. McMurtry: We are, but I think every speaker so far has stated that the proposed amendments to section 5 really do touch the meat of the bill, the basic principle of the bill.

Mr. Nixon: If we could stick to this point it would be appreciated; however, you have the floor.

Mr. Philip: Mr. Chairman, I wonder if we could just respond to the minister's opening comments in response to Mr. Nixon, because being committee of the whole House it is not just a matter of the minister giving a speech and each one of us giving a speech. He has raised some interesting points and it might be useful to deal with the specific issue Mr. Nixon has raised,

which I think is directly related to section 5 of the bill. Perhaps then the minister would have comments in response to some of the other speeches and comments that were made on this section, or more particularly on the amendment.

Mr. Chairman: In recognition of the committee generally tending to have a free flow of information, I think in the interest of the committee it would be in order to discuss the particular item before us. Then the Solicitor General could make other comments about section 5(1).

Mr. Philip: It is interesting that the kind of objectives the minister is asking for, the kinds of concerns that he has about not wanting to be called in to deal with the local authority every time there is a crisis, are met in the very amendment which he is blocking, or which he is voting against and has indicated that he will not support.

Surely what has to be done if you do not want to have to call for inquiries or royal commissions for public hearings, what you must have is a process that has the support of the community and that has an integrity or is seen to have integrity within the community. That is what this very amendment that is before us is attempting to do. It is fairly clear from all of the presentations that were before us that the community out there—particularly the visible minority community—does not trust the system in which the investigation, from its very initial stage—at least up to day 30—is conducted by the police themselves.

If we do not want to have calls such as Mr. Nixon has suggested, then the way to go about it is to set up a process that has respect in those communities so there will not be these calls for inquiries.

It is fine. No one will quarrel with the objectives stated by the minister. Where we on this side of the House, be we Liberals or New Democrats, disagree with the minister is that we would like to see a process in place that removes the necessity for constant calls for royal commissions, for the minister to investigate, for the big hand of government to go in. If you set up a system that is trusted by the people—and that is what this amendment does—then there will not be those calls.

I dare say that the Citizens' Independent Review of Police Activities would not have as much business as it has today if the minister had simply accepted either the amendment I moved in committee or the amendment the Liberals

have now moved, which is a mirror of my original motion, to section 5(1) and (2). I wonder if the minister would comment on that point.

Hon. Mr. McMurtry: I am just a little concerned, Mr. Chairman. I do not want to bore any of my colleagues in the Legislature by being repetitive, because I think we are dealing with a fundamental issue which has to do with whether or not the police should be permitted to do the initial investigation.

I understand the controversy. I obviously understand the concern of the members opposite. But I just wonder. To avoid continually coming back to the same point I am quite prepared to hear further from the member for Brant-Oxford-Norfolk regarding his concerns. I just do not want to be encouraging a sort of repetitive argument, hearing what we have all heard on every amendment. That is all. I say this with the greatest respect for all the members who are here.

Mr. Chairman: Mr. Minister, obviously you have no further comments about the particular amendment involved.

Hon. Mr. McMurtry: I have indicated that I appreciate one of the members was in the middle of his remarks when we adjourned, and I am quite prepared to agree to his being allowed to continue if and when he arrives. I think it might be more useful for me to address the issue, the fundamental principle that I think we all have agreed is behind the amendment proposed to section 5, the amendment by the official opposition, the amendment that is being proposed by the New Democratic Party.

I do not want to get into a debate as to who should be given credit for bringing forth the amendment. We have heard a very interesting debate among the members opposite as to who really should enjoy the pride of authorship. I would simply like to address the fundamental issue, because I really think that only one fundamental issue divides us. I would like, for example, to address my remarks to what—I did not mean to offend the member for Brant-Oxford-Norfolk.

Mr. Nixon: I am leaving on a very important errand and I shall return.

Hon. Mr. McMurtry: I think if we are going to get on with the matter, and I appreciate—

Mr. Chairman: Why suggest that we get on with the matter? We are trying to get a consensus in the House.

Hon. Mr. McMurtry: I simply would like to sit

down, and any other members who would like to participate in the debate on the proposed amendment to section 5—

Mr. Chairman: I was under the impression, Mr. Minister, that you were going to make some general comments about the amendment.

Hon. Mr. McMurtry: How many times are we going to speak to the same amendment?

Mr. Chairman: That is up to the privilege of the House.

Mr. Foulds: On a point of order, Mr. Chairman: In committee of the whole any member can speak as often as he wants.

8:30 p.m.

Mr. Chairman: Yes, I realize that. I was about to try to explain that to—

Mr. Foulds: I have great sympathy with the attitude of the Solicitor General that sometimes it gets repetitive and unnecessary. But I do not think I have spoken in this debate up to this point, and I would just like to make two points on this amendment and on the points previously made by the member for Brant-Oxford-Norfolk.

One is that surely—and I think we in this House on all sides agree with the Solicitor General—requests for commissions of inquiry or royal commissions or what have you often are overdone, and I think the establishment of such commissions sometimes creates a confrontational model that it would be better to avoid. One must accept the fact that this attitude is fairly prevalent and is held in good faith by people on both sides of this House, and I think the Solicitor General does not.

However, if we are to avoid this confrontational model and if we are to avoid calling for royal commissions, we have to understand why people both inside and outside the Legislature feel it necessary from time to time to demand such inquiries. The reason they make such a demand is that they not only feel that justice is somehow not being done; they feel that justice is not being seen to be done—to trot out an aphorism which is prevalent in our talk about the law and its administration.

I think one of the best ways the Solicitor General can avoid the feeling that justice is not being done when there is a complaint against the police, about police wrongdoing or what have you, is to accept the amendment put forward by both opposition parties, because I think it would establish a sense in the community that it is people in the community and people who are representative of the community, respected people, who are engaged in the community-based investigation of the complaint.

I think this is a terribly important principle which must be accepted in this day and age. It is, after all, over 150 years since Sir Robert Peel founded police forces. It is this principle of community involvement which must be accepted by the Solicitor General, must be accepted by the police forces and must be accepted for their own thriving, for their own continuance and for the development, I hope, of their increased reputation among their peers in the community.

If we do not have that sense, if the community does not have that sense and if there is no genuine citizens' complaint bureau we will continue to get these legitimate demands for royal commissions or commissions of inquiry; we will, in fact, not lessen the problem the Solicitor General has spoken about so sincerely, if not eloquently.

I really urge him to accept the principle in the amendment, and I would certainly like to hear why he feels such an adamant sense of inflexibility towards this amendment.

Mr. Nixon: Mr. Chairman, I was certainly listening to the minister's response to the call for a royal commission investigation into the allegation with a great deal of care. I was interested in his reference to the royal commission called by his predecessor, John Yaremko, into the business of the Four Seasons Hotel—

Hon. Mr. McMurtry: The Ontario Science Centre.

Mr. Nixon: The Ontario Science Centre—up that way. I thought with his faint praise—actually his elaborate praise of his predecessor—he indicated in his reference to it that perhaps that was an instance where there should not have been a royal commission.

He is familiar with the circumstances that led to the Morand report, which I think were allegations of brutality at the jail. Even though it was raised in the House, it was because one of the local newspapers considered that a substantial issue that we did have a royal commission.

Hon. Mr. McMurtry: And I think it was a good idea.

Mr. Nixon: Of course. I think it was too. But when he talks about his wish that the allegations currently before the consciousness of some of the people of this town ought to be settled in a rather in-house way, I simply cannot disagree with him more.

We are not talking about the police undertaking high-speed chases or taking a few bucks from a restaurant owner who is doing something out of line or anything like that. We are talking

about the basis of police in this instance, and that is the allegation that they are torturing to get confessions. What could strike deeper at the root of the responsibility of all of us than that?

I wish I could say, after reading that, "We have a handful of kooks." That may be the case, but they are five lawyers, and the Solicitor General would be the last to dismiss them. As a matter of fact, he might even send my remarks out to them if they are deleterious enough.

Hon. Mr. McMurtry: The honourable member has never before in his very distinguished history demonstrated so much confidence in remarks contributed by lawyers.

Mr. Nixon: The minister can make light of this, and I am quite prepared to agree that he has some reason to do so, but let us look at it not from my point of view but from his; that is, that anybody who criticizes the lawyers does not understand how well educated they are and why they should be paid so much to come to the point that he is referring to and the one that I often raise: his comments to me that, because of my provincial antecedents, I do not understand how people live who possibly charge \$800 or \$900 a day, or \$1,500. Does he remember that?

Hon. Mr. McMurtry: I never said that.

Mr. Nixon: I will go over the list of the minister's transgressions on another occasion, maybe even on a private occasion, who knows?

My point is this: He can laugh at me for saying that the lawyers are probably a little more solid in the community than a handful of kooks, whomever they may be, who might come forward and say, "The police did this to me and the police did that to me." But these are affidavits supported by lawyers, one of whom even I have heard of; I keep his name handy in case I get into real trouble.

The Solicitor General, in response to an allegation that strikes at the roots of our system—torture to get confessions—says, "This really ought to be dealt with locally." I know how effective the chairman of the Ontario Police Commission is, and I too have a great respect for the chief, who may be the best in North America; but, unless we can dismiss this as simply the attention-getting attempts of a handful of nothings, if there is any indication that the allegations should have any weight or should be taken seriously at all, the Solicitor General is making a terminal mistake by not moving into it.

He talks about his close relationship with the police.

Hon. Mr. McMurtry: I am not embarrassed about it.

Mr. Nixon: Of course he is not; it is the same kind of close relationship that everybody is proud of in his own community, and it is one of the things the Solicitor General should be aware of. If his close friends on the police force would consider such an outside investigation to be a rupture in interpersonal confidence, they would be making a serious mistake.

8:40 p.m.

I personally believe the Solicitor General is making a serious mistake. His football buddy concept of these relationships has stood him well in the past and undoubtedly will stand him well in the future. But in an instance like this, I am telling him, it is a mistake. We are not talking about any kind of allegation except torture to force a confession. If he wants to dismiss it, okay, but he is not dismissing it; he is saying it is being properly investigated, and I say it cannot be properly investigated except by a royal commission.

Mr. Chairman: Are there any further speakers in regard to the proposed amendment?

Mr. Philip: The minister.

Mr. Chairman: He has not indicated he wants to make any further comments.

Mr. Philip: Mr. Chairman, a number of us have made very extensive comments, and we would like the minister to reply to us. We hope he will do so at this time since there are no other speakers.

Hon. Mr. McMurtry: Mr. Chairman, I will respond briefly to the member for Brant-Oxford-Norfolk. If we are going to order judicial inquiries every time somebody makes serious allegations—

Mr. Nixon: This is in a class by itself.

Hon. Mr. McMurtry: It really is not. So far, these distinguished lawyers to whom he has referred have not supplied us with any names, dates or specifics.

Mr. Philip: That was because it was behind closed doors.

Hon. Mr. McMurtry: Be that as it may, it does touch on the fundamental principle that is relevant to the proposed amendment to section 5, because this amendment is related to a number of other amendments that touch on the issue as to whether the police should be permitted in the first instance to do the initial investigation. I have no difficulty in supporting that as being of fundamental importance in maintaining effective, fair and decent law enforcement in the community.

I would like to expand briefly on what I mentioned a few minutes ago because of what the member for Brant-Oxford-Norfolk said about my association with the police. My association with the police has many dimensions. I can tell him I had battle after battle with police forces in this province as a defence counsel for about 20 years before I entered the Legislature. I do not say this modestly, but I have been on both sides of many different, very difficult and controversial issues.

Mr. Nixon: But not on the same issue.

Hon. Mr. McMurtry: Hopefully, not on the same issue. I have represented accused persons charged with serious offences. I have represented citizens in the community who have made very serious allegations about the police. I have acted as defence counsel and as a part-time crown attorney. I really do have some acquaintance with the issues that have been discussed here.

What I am motivated by in relation to this legislation is to present legislation that I hope will create a system that has a reasonable possibility of success. That is fundamental to everything we have done with this legislation.

Mr. Philip: Where is the success?

Hon. Mr. McMurtry: I did not interrupt the honourable member.

Mr. Philip: You weren't even here to listen to me.

Hon. Mr. McMurtry: I was.

Mr. J. A. Taylor: That was an exercise in good judgment.

Hon. Mr. McMurtry: Whether it was good judgement or not—of course, it was good judgement. I am not quarrelling with the sincerity of the members opposite about the fundamental principle that the police should be given an opportunity to police themselves and conduct the initial investigation. I am not going to dwell at length on the many very credible reports, whatever members want to read into them, that have come to the same conclusion. It is hardly a unique conclusion.

I am not going to dwell at great length on the approaches that have been tried in many other jurisdictions, where they have said, "You have to take this away from the police to maintain credibility in the community," and the disastrous consequences that have flowed therefrom.

What I am interested in, whether the members accept this or not, is what I believe to be a system that has the best possibility of success. It

may well be an issue about which very reasonable people can and do disagree. But I can tell members the bottom line, as far as I am concerned, is to follow the dictates of my own conscience in this respect as to what I believe has the best possibility of success.

It has been said on a number of occasions throughout the committee hearings and throughout this interesting debate that I am insensitive to the views of the various minority groups in this community; that I, for some reason, do not have an appreciation of the changing community. I would like to have responded to the member who was speaking when we adjourned. I wish he were here.

I happen to be personally proud of the fact that, to my knowledge, at least three members in this Legislature were born in Italy. The fact that they are across the aisle and not here is certainly something I regret. But this to me represents what this province is all about and what has been contributed by that particular minority community—although, because it is large and has contributed so much to this province, it perhaps cannot be described as a minority community in the usual sense.

I do have an understanding of what has happened in Metropolitan Toronto over the years. I happen to be one of these people, for better or for worse, who was born and grew up in this community. I have seen the community change. When I was at university, I was privileged to have the opportunity of working for Frontier College, working on the railway gangs with young men who came over from Italy with not a penny in their pockets, with no knowledge of the language, with just a determination to make something of themselves in a new land. If ever a person had an opportunity to appreciate what those people have contributed to this community, I certainly had. I admired them then and I admire them now.

We are all aware of what has been contributed to the greatness of this province by people from so many minority communities. As I have said on many platforms, and as other members have said, some of us are Canadians by accident because we were born here; there are others, to whom perhaps we should pay special tribute, who made the conscious choice.

I must admit I am a little exercised when it is suggested that I do not have some understanding of what this community is all about, because I do. If members think I am stupid enough to introduce legislation that does not have the

support of the various minority communities in Metropolitan Toronto, then of course they can attribute whatever motives, or stupidity, to me.

Do members think I am so politically insensitive that I want to introduce and have legislation passed that does not have the support of the 400,000 people the mayor of the city of Toronto, Mr. Eggleton, said were the so-called visible minority in Metropolitan Toronto? Do members think—maybe they do—that I am stupid enough or insensitive enough to support legislation and urge the passage of legislation that does not have broad support in that community?

8:50 p.m.

Mr. Nixon: We are talking about legislation that is right or wrong.

Hon. Mr. McMurtry: And that is what I am talking about. But I am also talking about legislation that I would not be supporting if I did not have confidence that it has broad support. We can debate for weeks as to who is right and who is wrong with respect to that.

I want to say something else to the member for Brant-Haldimand-Norfolk—

Mr. Nixon: It is Brant-Oxford-Norfolk.

Hon. Mr. McMurtry: Can't we simplify that?

Mr. Nixon: Call it Brant. I have said that many times.

Hon. Mr. McMurtry: Brant. Thank you very much. I listen when the member speaks, and I pay very close attention, because I believe he has contributed a great deal to public life in this province. Obviously I do not agree with him on occasion.

When he suggests this Tory legislation is of such a conservative nature and that we did not dare to introduce anything other than a tame imitation of what we have now, the member had better talk to his local chief of police in his area and ask him what he thinks of this legislation. He will tell the member it is very radical legislation, and it is radical legislation.

I prefer to use the word "progressive." This is why we are here. We support progressive initiatives. Without any question, it is the most progressive, far-reaching legislation ever introduced in any parliament in this country. That is a record. I invite members to show me any legislation in any other parliament that is anywhere near to the issue of the principle of independent civilian review.

We had independent civilian reviews as far as boards or commissions of police are concerned who were performing their function in that regard. What members have not recognized,

with respect, is that this legislation is regarded by the police community throughout Canada as the most radical legislation ever introduced in any particular legislature with respect to independent civilian review. I invite the members to do a little more homework in this respect.

The municipality of Metropolitan Toronto police leaders have received a lot of criticism from their brethren across the province and across the country because they are prepared to agree to what is a very significant departure from the traditional method of dealing with civilian complaints against the police.

For the first time in any province, an independent office of a commissioner is established for dealing with civilian complaints against police. It provides for monitoring of the complaint from day one. It provides for an independent investigation that can commence no less than 30 days after and, in certain circumstances, before. It provides for a completely independent hearing with respect to any allegations that are made when the civilian is not satisfied with the handling of the complaint.

While I can respect the fact that there always will be differences between even reasonable individuals on some of these issues, it distresses me that none of these members apparently is prepared to recognize just how different this approach is and how progressive it is and the extent to which it injects an independent review. It is certainly far beyond anything that has existed anywhere in Canada to date.

I think I would have a little more respect for some of the arguments if they had said, "What you are trying to do is a very worthwhile initiative, but you have not gone far enough." But when I hear some of the members opposite say, "This is worse than no legislation at all; it is worse than the present system," then I have to believe their opposition is not motivated from a genuine concern for the very serious and sensitive issue that is out there. I do not suggest this relates to all their remarks. But to fail to recognize the progressive elements of this legislation, I think, is to do a fundamental disservice to a number of people who have been involved in creating a very significant independent civilian review.

When we first discussed this legislation—perhaps when we first introduced it—we said, "There will be no investigation until after the police have completed their investigation." We listened to what members opposite had to say. We decided we would contract that period to 30 days; there can be no period greater than 30

days before there can be this independent investigation. There is the independent monitoring from day one: the independent hearing as a result.

If those members were really wanting to work together to produce something that is going to serve the whole community, I would like to think that some of them might be prepared to give some recognition to what we do propose, quite apart from their concerns about what we do not propose.

There obviously is some misunderstanding across the aisle about what this legislation does do so far as independent review is concerned.

The member for Yorkview (Mr. Spensieri), the member for Downsview (Mr. Di Santo), the member for Beaches-Woodbine (Ms. Bryden) and the member for Sudbury East (Mr. Martel) all said it was terrible that somebody who had a complaint against the police would have to go to the local police complaints department to complain about a member of that very force.

With the greatest respect to those members, it seems to indicate a fundamental misunderstanding of what the legislation does. The legislation provides the citizen who has a complaint against the police the right to go directly to the commissioner's office and lodge the complaint there. I only cite that as an example of what I believe is still some misunderstanding about what we are proposing.

Everybody who has commented on this legislation, even adversely, has stated that we have a very good police force in Metropolitan Toronto, but there are problems. We recognize that. When Walter Pitman appeared, he said that when he made his report one of the conclusions he came to was that we had an excellent police force that enjoyed the support of the great majority of the community. But he added there were problems that had to be addressed with respect to some of the minority groups.

9 p.m.

To go the route that some of the members are proposing, I say with the greatest respect, is to throw the baby out with the bath water and to ignore the fact that the police have been very successful in this community in resolving the vast majority of civilian complaints to the satisfaction of the person who complains. The figure that has remained unchallenged is that 90 per cent of the complaints against the police are resolved informally and to the satisfaction of the citizen without going further.

What attention are the members paying to the chief of police who I referred to earlier, given

the fact this legislation is the result of a request from the council of Metropolitan Toronto, from the Metropolitan Board of Commissioners of Police?

The chief of police, who no one will argue is anything but a very progressive and distinguished police leader in this country, came to the standing committee on administration of justice and said, "Look, for me to maintain the level of discipline I want to maintain in this force, it is of fundamental importance to me to have the responsibility for the initial investigation in order that I may really keep in touch to the extent any one person can with what is going on in my police department."

What respect are the members really paying to his views in that regard when everybody agrees that basically it is a fine police force, despite some of the problems, and when the chief himself says, "I have to be responsible for that initial investigation to maintain the level of discipline that is going to serve the public interest"? What attention do they pay to that? I am afraid it is not very much.

The answer that Mayor Eggleton gave was, "When it comes to some of these complaints, the police are too tough on themselves." His argument for taking it out of the hands of the police, as it was repeated the other night, is that the police are too tough on themselves and so, therefore, we had better give it to somebody who will be a little less tough. With all due respect to him, that was a very foolish argument.

What I am concerned about is maintaining a force that does recognize the importance of policing itself, which really is of such fundamental importance to the maintenance of a good police force.

We can say to lawyers, doctors, engineers, architects, accountants, all the way down the line, that those people have to discipline themselves, because we in this Legislature have decided the public interest will be best served by those professional groups disciplining themselves. They do have a very high degree of concern about maintaining the credibility of their own professions. We can say to them, "You people police yourselves."

But when it comes to the Metropolitan Toronto Police Force, notwithstanding the fact that everybody who has spoken has said, "Well, they are really a pretty good force," it becomes: "We are going to tell you, when it comes to you people, you are not to be trusted with the initial investigation which is so essential to policing yourselves."

With the greatest respect, that is a fundamental vote of no confidence that really is not deserved. One of the concerns I touched on earlier was maintaining a process that is going to encourage the police to resolve these issues at the community level. I talked about the 90 per cent success rate in this informal resolution. The members do not hate the police—I never suggested that—but they may not totally understand some of the issues involved here.

What they want to do is to inject into that process something, whether they call it a bureaucracy or a mechanism, that in my respectful view is only going to create a greater gulf between the police and the community they serve. That has been the experience in every other jurisdiction where this has been tried, where they said, “Look, we are going to take the initial investigation out of the hands of the police and give it to some sort of independent civilian investigators.” In every instance where that has been tried it has only created additional confrontation and increased polarization between the community and the police who attempt to serve that community.

What the critics of this legislation are really doing, whether they intend to do so or not, is introducing a mechanism that is just going to institutionalize confrontation between the public and the police. Many of us who have responsibilities with policing in this province are concerned that police institutions, like many other major institutions in our community, because of the depersonalization that has occurred in the community generally, particularly in the large urban centres, become depersonalized.

This is why we think it is so important to encourage police to resolve these issues in the first instance. If they cannot resolve them for the most part within a mere 30 days, with monitoring from day one, then there can be an independent investigation and an independent hearing. Really, that is a very significant departure from the traditional practice of dealing with these matters.

So I say to my friend the member for Brant-Oxford-Norfolk when he asks, “Why don’t you really push something on this police force because maybe they will accept it from you?” that I appreciate and feel flattered by his approach in that particular respect. But the fact is that the Metropolitan Toronto police have agreed to a degree of independent review that no other police department in this country has agreed to. I simply think they should be given some credit for that.

This particular amendment to section 5 really does strike at the heart of what I think to be the fundamental principle that must be maintained if we are going to maintain a reasonable level of policing and police accountability, that is, the responsibility in the first instance to police themselves with accountability to the independent review.

With respect, if one looks at this legislation fairly, one will have to recognize that it really is a fairly significant departure and that it does have a chance of success. I have said: “Look, we have gone most of the way with most of your concerns. We have reduced this period that was open ended to 30 days.” This was some advice that was given to us from across the aisle. We listened to it and we thought it made sense.

We are talking about a pilot project. We are talking about something that has never been tried before in this province or, to our knowledge, in any serious way in this country. A year or two or three down the road, the members can say: “Look, we told you during the debate that this would never win the confidence of the public. You should have listened to us.” All right, then I will have to stand up and say: “Okay, that is what you said. You are on the record and I respect that.”

9:10 p.m.

I have the fundamental and ultimate responsibility to maintain the credibility and integrity of police forces in this province and if I did not think this had the best chance of success, if I did not think this had the best opportunity of winning the confidence of the public, then I would not be urging it upon you.

Again, I say it is not a question of who likes the police more or less, since I think we all have the same goal, but the basic responsibility is mine with respect to what I think is going to serve the public most effectively. Given the fact that this legislation does represent a dramatic departure from what has happened in the past, and it does represent an independent element of civilian review that has never been present before, and even though it does not go as far as some of the members think it should go, all I am saying tonight is, give it a chance. We are going to be here together for the next three or four years, or maybe more, and we are going to talk about this legislation.

All I say is, let us give it a chance.

Mr. Nixon: I appreciate what the minister has said. As a matter of fact, I did not realize he felt so strongly that the people on this side have not

even given him a nod of acceptance and said at least we are heading in the right direction and so on. I think the thing he does not appreciate is that from our point of view it is almost as difficult to understand why the minister does not understand our point of view, which is that unless a citizen can complain to a citizen rather than a policeman about matters pertaining to police discipline and police brutality, then it is really—

Hon. Mr. McMurtry: But I can.

Mr. Nixon: All right, take the circumstances following the shooting of Albert Johnson by two police officers on Mr. Johnson's own front doorstep. Suppose the legislation had been in place, would there have been a trial of those police officers? Would the minister's procedure have obviated that? I do not suppose it would have.

Hon. Mr. McMurtry: Can I just interject and say that when one is dealing with a serious criminal investigation I have to say that if this legislation were in place, regardless of whether all these amendments were accepted or not, the result would probably have been the same—an investigation by another police force. We cannot have civilians doing criminal investigations, with all due respect, in our system.

Mr. Philip: Nobody suggested that and that amendment doesn't.

Hon. Mr. McMurtry: I think the member for Brant-Oxford-Norfolk and I understand each other on this issue.

Mr. Nixon: Just suppose the present allegations that sparked this evening's discussion turned out to be true or had some element of truth, if we have the best police chief in North America, how could it have gotten this far—this is a presumption—so that he ought to be responsible for the original investigation? If there is any truth in this, he must have known about it and would probably be doing something internally to correct it. If, if, if—we do not know about that.

We have to presume that there is some truth to this. If we have to assume that, we must assume the police chief has problems we do not know about—I mean this type of problem—maybe even that the minister does not know about, maybe even that the commissioner does not know about. But if there is any grain of truth to the present allegations, it is really terrible. Of course, it goes without saying, we would all agree, for the holdup squad, but it is just about as bad for the best police chief in North America.

That is why I felt some concern about an allegation of that dimension being investigated by people responsible to the commission and the chief. It just does not make sense. There is a certain lack of understanding on both sides. I accept the minister's comments. He said, "You people should at least say we are taking a progressive step and it is not far enough."

Our point of view, at least from some of us, is that he is not taking a step. We even have a feeling that he is missing a world-class opportunity. Toronto is not like Philadelphia—that argument has been made; it is not like New York; it is not like Detroit. This is basically a law-abiding community, even though we have terrible crimes and expensive policing responsibilities.

But the experiment that has failed in those other places where it did not have a chance could succeed here and set a model for the world, rather than follow the ghastly experiences of New York, Philadelphia, Detroit and Chicago.

Mr. Philip: Mr. Chairman, I would like to deal with some of the issues the minister has raised. Once again the minister raises the red herring that members in the two parties on this side of the House are proposing that a bunch of amateurs should go out and investigate accusations against the police. No one has suggested that a bunch of people should be taken off the street with no training in police techniques and police investigation to do that kind of thing. The amendment before us clearly does not do that; nor, clearly, did my amendment do that.

If the minister has been paying attention, as I am sure he has, he understands that. To raise this once again as an issue is simply to confuse the issue in the public mind and in the minds of some of the members who were not part of the deliberations on and struggle with this bill. I do not know why the minister would want to create that kind of confusion, because I am sure he knows perfectly well what this amendment does. It does not do what he is trying to imply right now: that somehow we would have a bunch of amateurs out conducting a police investigation. That is nonsense. The minister knows that, and it is misleading.

I would also like to deal with some of the issues he has brought up, because either he has not listened to the groups that came before the committee or he has failed to understand them—and judging from my knowledge of the minister's intelligence, that would not be the case—or he simply wants to fudge the issue in

the eyes of the public. In the first place, if the minister is listening—I am willing to wait if he is not.

Hon. Mr. McMurtry: Yes, but the statements that you attributed to me were not made by me. Maybe they were made by somebody else; I do not know. I did not make them.

Mr. Philip: You just said, “Do you want a bunch of amateurs investigating the Johnson case?”

Hon. Mr. McMurtry: Who said that?

Mr. Philip: You did, in your response to the member for Brant-Oxford-Norfolk.

Hon. Mr. McMurtry: What are you smoking tonight? I did not say that.

Mr. Philip: You said that. Check the record.

Hon. Mr. McMurtry: I will check the record.

Mr. Philip: You clearly said that. When the member for Brant-Oxford-Norfolk raised the issue you said, “Do you want a bunch of amateurs going around conducting the investigation?” Of course that is what you said. The record will show what you said.

Hon. Mr. McMurtry: Would you like to make a little wager?

Mr. Philip: Sure. I would be happy to.

The Deputy Chairman: Order. You will have your chance—

Mr. Philip: It is illegal, but I am willing to do it off the record if that satisfies the minister’s sense of justice.

Hon. Mr. McMurtry: I make a friendly wager the record does not say that.

The Deputy Chairman: We are speaking to the amendment, an amendment to section 5(1).

Mr. Philip: The minister has brought up a number of arguments I would like to deal with. In the first place, he said tonight that somehow there is support out there for his bill. I have challenged him at every session of the justice committee, as have the Liberals, to produce one group among the visible minority groups that is actually in support of this section without the amendment that is before him, and he has not been able to produce any.

But he is not satisfied with that, and he suggested in the justice committee that perhaps these groups really did not understand what was in the bill. That was also the implication in the statement he made about members on this side of the House: that we somehow really did not understand how the bill would operate. I will quote him from Hansard. I asked the minister,

“Is the Solicitor General trying to say that the views of these groups do not represent the views of the populations they pretend to serve?” He said: “Yes. To a very large extent that certainly has been my personal experience.”

First he says it has been his experience that they do not understand what is in the bill—and that is on the record—then he says that the leaders of these groups really do not represent their groups. If there are these overwhelming numbers of people in the minority groups—and he said many hundreds of people out there support it—where are they? We asked his deputy minister to give us lists of these people and we are still asking. Where are the lists? Where are the people who support this bill? We could not find any.

9:20 p.m.

Then he says that in every instance where there has been an independent investigation it has failed. Let us deal with the specifics. Which instances? Is he talking about Philadelphia? The chief of police who opposed it there and later became mayor is in jail now. He had a vested interest in not having it work. Is the minister suggesting we have that kind of polarized police force in Metropolitan Toronto? If he is, then he is certainly underestimating and insulting the police force of Metropolitan Toronto, because we do not have that kind of polarized situation here.

Is he suggesting Chicago? Let us examine the report of Chicago. He loves to talk about how all the reports are somehow on his side. In fact the reports, as I mentioned in my earlier comments, do not come out on any side. In the case of Chicago they say that perhaps the reason the system has not worked there is that it did not go far enough in the direction we in the opposition have been advocating.

Then he talks about the Pitman report. I find it interesting that he quotes the introduction to the Pitman report, which was the introduction to the motion passed by Metro council. It says, “A citizen complaint procedure having as its central aspect an independent investigation,” and the emphasis is on the word investigation.

So these generalizations—that there are masses of people in the visible minority community who support his bill without our amendment—do not materialize. He cannot produce them. He talks about the reports that support them, but when we deal with the specifics we find there is not that support in any of them. Indeed, in some of the reports we can make the argument that their support is on the other side.

Somehow he says we do not appreciate a 90 per cent success rate in the present system of handling complaints. What does that mean? His deputy minister—who fortunately was there more often than he was and we could ask him some questions—admitted that may not be a success rate in terms of solving the problem. He said it might simply be that people went away frustrated because they were getting no solutions or that the complaint was closed for any one of a number of reasons.

In fact, there is no research that suggests anything more than that 90 per cent were closed. That is not a success rate. That does not tell us anything. They may have gone away mad, they may have gone away unsatisfied. It simply means they said, "Hell, I'm not going any farther."

Then he talks about how this is a pilot project and we are being irresponsible if we vote against this bill and if we say it is no better than nothing. But many of the community groups that came before us said that very thing. They said: "Don't impose this on us. Our people will not use this procedure. We have no confidence in this, and we would rather have nothing than give the illusion that something is being done and then disillusion our people again."

That is basically what a lot of the groups said. He says: "It is only a pilot project; try it for three years. Maybe I am wrong. If I am wrong, you will be able to say so after three years." We tried to test the sincerity of the Conservatives on that. I introduced a motion that would have an automatic review before this act lapsed at the end of three years. It would have a review by Metropolitan Toronto and by the justice committee. The public, which does not support this bill at the present time, could come forward and give opinions on it at that time.

In the committee, a few enlightened souls like the member for Cochrane North (Mr. Piché) and the member for Sudbury (Mr. Gordon) saw the light and voted for it. After the parliamentary assistant to the minister fell off his chair and almost stomped out of the room. The minister now has an amendment which we are going to have later that, in fact, cancels out our amendment for public hearings and evaluation of this great piece of legislation in which he is asking us to believe.

If it is so good, why is he afraid to have public hearings and evaluation at the end of three years? Why is he afraid of having the people out there come in and tell us exactly what they think of this bill in three years' time? Why is it he

thwarts the wishes of the justice committee that passed this amendment, is going to introduce another amendment which cancels what we have passed and uses his majority over there to thwart that particular amendment? Why is he going to do that if he has so much confidence in that?

Maybe the minister can at least answer one question: Where are the hundreds? Give us the list which we have asked for so many times. This is the last opportunity for him to put it on the record.

Mr. Elston: Mr. Chairman, I want to be brief. I have spoken before on the matter and I know my feelings and concerns are well known to the members.

I want to point out again that, even though the Solicitor General may be very sincere in holding to the opinion that this is very radical legislation in terms of what it is doing in relation to the investigation of complaints against the police, the question we have to reflect on and have to consider at length is whether it deals with the issues we have raised, whether it will salve the feelings of the various elements of the community who often use the process.

Our position has always been, in effect, that an independent investigative procedure commenced from the beginning under the auspices of the public complaints commissioner is the solution to the problem of instilling a co-operative spirit between the public and the police and will instil confidence by the public in the police force at this stage.

We recognize the Solicitor General is enlightened and is able to read his reports on what has happened in terms of the demographic construction of the Metropolitan Toronto area. We understand he has connections with various elements in the society that make up this great city.

However, we have to take into consideration the lengthy, well-prepared and extremely intelligently delivered presentations of the people representing groups who told us they were appearing for the first time in answer to requests to make input into this legislation.

We have to respect the information which they have given the committee and which we have sought out on various occasions ourselves. We are convinced that even if this is radical legislation, the confidence and co-operation which the Solicitor General is looking for in terms of the complaint process will be best reflected in the independent investigative procedure which this amendment speaks to.

I was pleased to hear the Solicitor General quote Sir Robert Peel to the effect that the public are the police and the police are the public. If he really looks at that quotation, as repeated by the member for Eglinton (Mr. McMurtry), he will note that our particular amendment goes right to the very root of that. It involves the public in the very process which Sir Robert was trying to get at.

The co-operation which we are hoping will develop, no matter what the end result of our legislative deliberations are, might best be arrived at, and more quickly arrived at, through the process we are suggesting in the amendment.

I also want to suggest to the Solicitor General that although he may very well be here, and I expect him to be here at the end of the three-year pilot project, perhaps one of his hats will have been hung on another rack and who knows but what he will be directing the questions to some other member. I do not think it is sufficient that we are able to say to any member, anywhere: "I told you so. Let us fix up the mess some other way." I do not think that is appropriate.

I want to ensure that the members here all know there is a sincerity in relation to the feeling of the public interest here and that is why this amendment has to be brought in, deliberated on by all members here and has to be considered at length by the Solicitor General. With those short remarks, I wish to thank the members for the opportunity of speaking to this matter.

9:30 p.m.

Mr. Cunningham: Mr. Chairman, I would like to associate myself with the remarks made by the member for Huron-Bruce. I would be the last one in the House to attribute to the Solicitor General any political motive concerning this item of legislation, nor would I be of the view the minister, with the experience he has had as a lawyer and as a politician, would be, as he said earlier, politically stupid on this legislation.

We are making a mistake in not seizing an opportunity before us to go a step farther, as other members have suggested, and involve the citizens of this province in a more meaningful way in this review process. I find it inconceivable in a province of 8.5 million people that we could not find a sufficient number of members of the public to involve themselves in this review process; not to conduct a massive police-oriented investigation but to serve in an impartial way.

I had a situation where a constituent of mine visited me with a complaint, not against the Metro police force but against another police force. When he found the current procedures require he make a complaint to the police—I advised him of that procedure—he was reticent to proceed with what I perceive, quite frankly and unfortunately, is a legitimate complaint, although that will be determined in time.

He said, "There is no point in complaining to these people. These are the people who beat me up." That individual had a preconceived notion of what was involved. I hope the integrity of that process will bear out that his concerns and premonitions were not justified and if there is an element of guilt involved, it will be corrected.

Surely to God, in a province of 8.5 million people, there are enough high-quality citizens we could draw upon, the same kind of people the government puts on some of these boards, agencies and commissions. I am not referring necessarily to the defeated Conservative candidates, but the kind of people put on prestigious commissions like the Ontario Law Reform Commission, people who possibly will be retiring from the bench, a myriad of citizens who may not even be lawyers. These are people who could be drawn upon if the minister were to entertain this suggestion in a favourable light.

My fear is that we are not serving the public adequately when we do not respond effectively with legislation that is in the best interest of the public. I am concerned that a year or two from now we will be back here again to correct legislation which we have an opportunity to make perfect this week or next week.

Mr. Philip: Is the Solicitor General prepared now to table the list of all those groups in the visible minority community who agree with this section of the bill without the amendment? It is my last opportunity to ask him for that list. He has claimed there are hundreds out there who support his bill. Would he be kind enough to table them?

Hon. Mr. McMurtry: There are not hundreds, Mr. Chairman, there are tens of thousands.

Mr. Philip: Would he like to list them? Name one group.

Hon. Mr. McMurtry: Any time the member would like to have a vote of confidence with any minority community, be my guest.

Mr. Philip: Votes of confidence were made by the groups that came before us, and not one

group supported what the minister has claimed. He put on the record there were hundreds out there who were in support—

Hon. Mr. McMurtry: Hundreds of thousands.

Mr. Philip: No, I am sorry. The record says “hundreds.”

Hon. Mr. McMurtry: We had better correct the record then.

Mr. Philip: The minister had better correct the record; it is his statement. He said there were hundreds out there. He repeated again tonight that there was support out there in the visible minority community. I am simply asking him to name one of the groups; or better still, if there are hundreds, then at least he might even come up with two. That would help to satisfy us. Otherwise, correct the record by saying you do not have the support you claim.

Hon. Mr. McMurtry: I correct the record. It is hundreds of thousands, not hundreds.

The Deputy Chairman: All those in favour of Mr. Elston's amendment will please say “aye.”

All those opposed will please say “nay.”

In my opinion the nays have it.

Amendment stacked.

Mr. Philip: Mr. Chairman, I have an amendment to section 5(1) that I originally moved in committee.

The Deputy Chairman: Mr. Philip moves that section 5 of the bill be struck out and the following substituted therefor:

“5 (1)The public complaints board shall establish and maintain for the purposes of this act an investigative branch to be known as the public complaints board complaints investigation bureau.

“(2)The public complaints board shall ensure that the bureau is supplied with sufficient staff to efficiently receive, record and investigate the complaints.”

Could we just review what you have moved. Section 5(1) appears to be very similar if not identical to the one that is now already stacked. So is the debate going to be on section 5(2), which you have before us in this shape?

Mr. Philip: The debate is on the whole matter, Mr. Chairman, if you rule it in order.

The Deputy Chairman: I think I have a little difficulty in accepting the motion as you have made it. We have already dealt with a motion that included the first part of your motion here.

Mr. Philip: I simply wanted to move it. You have stated that it is out of order because it is similar to the first amendment. I simply wanted

to show that was the original amendment. We have just voted it down. It was our amendment and we appreciate that the Liberals have been kind enough to at least copy our amendment, even though it was defeated by the Conservative government.

The Deputy Chairman: Mr. Elston moves that section 5(2) be amended by deleting the subsection and substituting the following therefor:

(2) “The police complaints board shall ensure that the bureau is supplied with sufficient staff to effectively receive, record and investigate complaints.”

Mr. Elston: I do not think there is any point in carrying on with any further comment. This reflects just a housekeeping amendment to section 5(2), if section 5(1) is amended in accordance with my earlier suggestion.

The Deputy Chairman: Any other members wish to participate in the debate of this amendment?

All those in favour of Mr. Elston's amendment will please say “aye.”

All those opposed will please say “nay.”

In my opinion the nays have it.

Amendment stacked.

Sections 6 to 9, inclusive, agreed to.

On section 10:

Mr. Philip: Mr. Chairman, the government and the members of the Liberal Party already have these, as you do, but I will send one to you anyway. You will get one eventually, Mr. Chairman—or do you have it?

9:40 p.m.

The Deputy Chairman: I think I have it. It begins with “I move.”

Mr. Philip: Okay.

The Deputy Chairman: Mr. Philip moves that section 10(1)(c) of Bill 68 be amended by inserting after “thereunder” in the second line: “provided that any officer required in such disciplinary proceedings to furnish reports and answer questions be given prior notice of the substance of the accusations against him and a reasonable opportunity for prior consultation with an agent or counsel.”

Mr. Philip: Mr. Chairman, one of the recommendations of the Canadian Civil Liberties Association was to include this. They felt it guaranteed the civil liberties of the police officer—namely, that a person should not be accused without being given prior notice of the

substance of those accusations and an opportunity for prior consultation in order to defend himself.

We recognize that under the Statutory Powers Procedure Act notice would have to be given in any event. However, we feel that including this in the bill gives it the kind of balance which is necessary, that it gives some feeling of security to those police officers who may be reading the bill and who may be concerned about its contents. We feel it in no way detracts from section 10 of the bill, but merely adds to it. Therefore, I hope that members on the government side of the House will be prepared to accept this amendment.

Hon. Mr. McMurtry: We do not have a copy of it.

Mr. Philip: All of the amendments were supplied to you. I am sorry, but I can send another one over to the minister if he would like. They were also supplied in committee to your parliamentary assistant, who was there.

Do you have one now? We brought down about 20 copies, and they were distributed the other day.

Mr. Chairman: There seems to be some confusion over the Solicitor General's place. Is it section 9(1) or section 10?

Mr. Philip: No, it is section 10(1)(c). We have passed section 9.

Mr. Chairman: I understand that, but the Solicitor General was making inquiries. Section 10(1)(c); all right.

Mr. Philip: We have never indicated that we had an amendment to section 9.

Mr. Chairman: Still speaking to your proposed amendment to section 10(1)(c)?

Mr. Philip: I have simply moved that amendment.

Mr. Chairman: Oh, I am sorry. I thought we were in discussion already.

Mr. Philip: I moved that amendment. I have spoken to it. The Solicitor General claimed he did not have a copy. I have seen to it that he had a copy. I hope he has copies of all our amendments, because we sent them over last week. If he does not have them I have extra copies and we will send them over to him as we go along. Certainly the Liberals have copies as well.

Mr. Chairman: Fine. Thank you, then. Is there any discussion on the proposed amendment?

Mr. Philip: The chair has a copy, I trust.

Mr. Chairman: Yes. Are there any members who would like to speak to the proposed amendment of section 10(1)(c) of Bill 68? Does the Solicitor General have any comment? Do you want a moment?

Hon. Mr. McMurtry: All I can say is that I think this is adding unnecessary confusion to the legislation. In section 7 it states: "Upon receipt of a complaint the person in charge of the bureau shall inform forthwith the police officer concerned of the substance of the complaint, unless in the opinion of such person to do so might adversely affect any investigation of the complaint."

There are a number of other protections built into the legislation in so far as the police officer is concerned. With all due respect for the member for Etobicoke I do not think this is a useful amendment.

Mr. Chairman: Are there any further members who would like to participate on the proposed amendment? I see no further members indicating that.

Those in favour of Mr. Philip's proposed amendment to section 10(1)(c) will please say "aye."

All against please say "nay."

In my opinion the nays have it.

Amendment stacked.

Mr. Chairman: Shall section 10(1)(d) carry? Carried.

Shall sections 10(2) to 10(4), inclusive, carry? Carried.

Sections 11 to 13, inclusive, agreed to.

On section 14:

Mr. Chairman: I understand that on section 14(1) the member for Etobicoke—

Mr. Philip: On section 14(3), Mr. Chairman.

Mr. Chairman: Are there any proposed amendments prior to subsection 3? What clause of section 14(3) is involved in your amendment, Mr. Philip?

Mr. Philip: Section 14(3)(b) and (c).

Mr. Chairman: It is my understanding the Solicitor General has an amendment to clause (c), so I wonder whether we should deal with your amendment to (b) first, since it is prior, obviously, to (c); or is it together?

Mr. Philip: Why not deal with my amendment as a whole, namely (b) and (c)? We will see what happens to it and we will see what happens to the Solicitor General's amendment.

Mr. Chairman: Would it be in order if possibly we deal with the Solicitor General's amendment to (c) and then deal with your amendments? And on agreement of the House we will deal with all proposals of the package.

Mr. Philip: I have no objection. They have the numbers, so it will not make a dram's worth of difference, anyway.

Mr. Chairman: Mr. McMurtry moves that section 14(3)(c) of the bill be struck out and the following substituted therefor:

"(c) Where there are reasonable grounds to believe that there has been undue delay or other exceptional circumstances in the conduct of an investigation under section 9."

Hon. Mr. McMurtry: Mr. Chairman, this is an amendment which is on the advice, basically, of Mr. Linden, the public complaints commissioner. In his view, it achieves what he perceives to be the goal of section 14(3)(c) with respect to delay or other exceptional circumstances in the conduct of an investigation in relation to an involvement from an investigation standpoint earlier than the 30 days. I think it clarifies that section to some extent and therefore I urge the members to support it.

9:50 p.m.

Mr. Chairman: One moment, I unfortunately made a promise to the member from Etobicoke that as soon as the Solicitor General made his proposal for 14(3)(c) I would ask for the member for Etobicoke's proposed amendment so that there would be a package discussion on 14(3)(b) and 14(3)(c).

Mr. Elston, do you have any problems with that?

Mr. Philip: I would rather deal with the Solicitor General's amendment. Our amendment will go further, I think, and accomplish more of what the Liberals and NDP feel is important; but we will deal with his amendment and then deal with mine, which will delete his amendment if it carries.

Mr. Chairman: So you would like his amendment discussed first then?

Mr. Elston: In effect, I think probably the discussion of the Solicitor General's amendment—if that is what we are proceeding to do—can also be dealt with in the light of the amendment which we moved in committee concerning section 14(3)(c). That amendment in committee read basically, "where there are reasonable grounds to believe that the inquiry and investigation are essential in the public

interest." This gives the public complaints commissioner the advantage of moving in at a time when he saw it in the public interest for him to move in and initiate the investigative procedures from day one if he felt it necessary.

The amendment proposed by the Solicitor General really ties the public complaints commissioner to having to decide that there has been undue delay or there has been a difficulty in respect to the conduct of the investigative procedure at some point after the investigative procedure has been initiated by the police.

We feel that to go far enough to accomplish the sort of independence that is available, important issues should be dealt with immediately by the public complaints commissioner. We think this amendment restricts him unduly in his attempt to carry out that independent initiative which we feel he must have to gain the confidence and co-operation of the public in general.

Mr. Chairman: Is there any discussion on the proposed amendment by the Solicitor General?

Mr. Philip: I simply echo what has been said by the member for Huron-Bruce. I think the amendment I will be proposing broadens it. A great deal has been said—

Mr. Chairman: Let us deal with his amendment and then we will deal—

Mr. Philip: Okay. A great deal has been said by the Solicitor General on the appointment of the commissioner and the qualities of Mr. Linden. Members of all three parties agree with that and what we are saying is that Mr. Linden should be given more power. This amendment does not give him as much power and as much discretion as we would like. That basically is the only comment I would have on it.

Mr. Chairman: Does any other member wish to discuss this proposed amendment? I see no other member—there is another member.

Mr. Wrye: Mr. Chairman, I just wanted to make a few comments on this amendment, and I make those comments on the amendment which I think has been reintroduced following an amendment proposed by the government members in committee. I think it would really have emasculated the intent of allowing the public complaints commissioner to enter investigations before the 30-day period has expired.

While we certainly did not support section 14(3)(c) in its original intent, I might say that my reading—and I am not a lawyer—of the amended section 14(3)(c) would indicate to me we have still not come back even to where the bill was in

its original form.

I say that because my reading says, "where there has been undue delay or other exceptional circumstances in the conduct of an investigation..." This indicates to me that if this amendment carries the public complaints commissioner will not be able to enter these investigations on day one, should he consider there are exceptional circumstances.

The way I read the amendment as now proposed, the investigation must initially be undertaken by the police. Only where the conduct of that investigation is such that he feels exceptional circumstances enter into it can the commissioner enter the picture. I read the exceptional circumstances clause as now proposed by the government to be even weaker than that proposed in the original legislation. I say that with due respect to the fact that Mr. Linden has proposed it.

As my colleague the member for Huron-Bruce suggested in his comments, either proposal, as in the original legislation or certainly in this proposed amendment by the Solicitor General, does not go far enough in our opinion. We do not believe we ought to tie the hands of the public complaints commissioner.

We believe that where he believes the public interest is served by his entering an investigation and conducting it from day one he ought to be given that right. I do not see that in this amendment. I would urge all members of the House to look upon it in that light, reject the amendment and accept the amendment we will be proposing later on.

Mr. Chairman: Do any other members wish to discuss this amendment proposed by the Solicitor General? I see no further discussion.

Those in favour of the amendment to section 14(3)(c) please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

Mr. Chairman: Mr. Philip moves that sections 14(3)(b) and 14(3)(c) of the bill, as amended, be struck out and the following substituted therefor:

"(b) Upon the request of the chief of police or upon the request of the complainant; or

"(c) where he believes that it is in the public interest for him to do so."

Mr. Philip: I am moving, furthermore, that section 14(4) of the bill be struck out, but I am willing to move up to clause (c) and then move the deletion of section 14(4) as a separate

amendment if the chair so wishes.

Mr. Chairman: We have a slight problem. That is, we are dealing with the proposed amendment to clauses (b) and (c) of section 14(3) and that is how I would like to take it; we are not dealing with section 14(4) yet because we are not there yet.

Mr. Philip: That's fine.

Mr. Chairman: It is agreed that you have moved an amendment to section 14(3)(b) and section 14(3)(c). Is there any discussion to the proposed amendment?

10 p.m.

Mr. Philip: Mr. Chairman, this amendment tries to give to the commissioner the power we feel he deserves and it gives him the discretion to move when he feels it is in the public interest to do so. I think this shows greater confidence in the procedure and in the complaints commissioner. We feel it is in the public interest to go further than the amendment which the minister proposed and which has just been stacked. I think everyone understands what is proposed.

Mr. Chairman: Shall the amendment to the amended section 14(3)(c) carry?

Mr. Elston: On a point of order: Are we also dealing with 14(3)(b) at the same time as we are dealing with 14(3)(c)?

Mr. Chairman: Yes, that is my understanding.

Mr. Elston: But you only mentioned that we were dealing with the amendment to the amended 14(3)(c)?

Mr. Chairman: You are right.

Mr. Elston: I think it must be clear that we are also dealing with 14(3)(b) as well.

Mr. Chairman: You are absolutely correct. We will try that one more time. We are dealing with the proposed amendment by the member for Etobicoke to the amendment of clause 14(3)(c) and amending clause 14(3)(b).

All those in favour of the proposed amendment to the amendment and the amendment will please say "aye."

Those opposed will please say "nay."

In my opinion, the nays have it.

Amendment stacked.

Mr. Chairman: Before we move to 14(4), Mr. Elston, I have with me a proposed amendment to section 14(3)(c). Are you dispensing with that proposed amendment?

Mr. Elston: Yes, Mr. Chairman. That was the same amendment we moved in committee and we are not going to have that dealt with here.

Mr. Chairman: On section 14(4).

Mr. Philip: I move that it be struck out.

Mr. Chairman: The chair has recognized the member for Huron-Bruce.

Mr. Elston moves that section 14(4) be amended by deleting the section.

It is my understanding that technically you are just voting against the section.

Mr. Elston: Mr. Chairman, we believe the section is redundant regarding authority vested under other pieces of Ontario legislation. In line and in keeping with the provisions put forward before in committee, any sections to which we wanted to add wording to clarify the situation, when they were called redundant by the Solicitor General or his aides they were disallowed.

We think this section also ought to be deleted if that is the case. We also feel that in terms of the way it is structured now it would appear to the person who is reading the piece of legislation that there is a built-in bias in favour of the operations carried on by the police department. We think that perception of inequality and bias ought to be removed from the piece of legislation so that all understand there is no built-in right of appeal to any decision made by the public complaints commissioner to carry on the early investigative procedures.

Mr. Philip: We support the amendment.

Mr. Wrye: Very briefly, Mr. Chairman, I want to reiterate that those of us who went through committee were moved to try to have a piece of legislation that was fair-minded to all. I think that is exactly what the deletion of this subsection would do; that is, to indicate to all members of the community, as my colleague has suggested, that there is a balanced approach in this legislation.

I again remind the Solicitor General that in our opinion the section need not be there and is redundant to other legislation that is in place. I think it would show to the community a balanced approach in terms of setting up this pilot project. I think it is important that it be stressed throughout the setting up of this legislation.

Mr. Chairman: All those in favour of Mr. Elston's amendment to section 14(4) will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Amendment stacked.

Mr. Philip: The next amendment I have is to section 18(4), Mr. Chairman.

Mr. Chairman: We have some other sections to cover before we get to that section.

Shall section 14(5) carry? Carried.

Sections 15 to 17, inclusive, agreed to.

Mr. Chairman: Shall section 18, subsections 1 to 3, inclusive, carry? Carried.

Mr. Philip moves that section 18(4) of the bill be amended by striking out "a joint" in the fourth line and by striking out "in the Metropolitan Toronto Police Association" in the fifth and sixth lines and inserting in lieu thereof:

"One member shall be a person appointed on the recommendation of the Canadian Civil Liberties Association."

Mr. Philip: Mr. Chairman, the purpose of this amendment, and it was with some concern that we drafted this, is that we feel that if you look at any kind of a tribunal you must have a balance on that tribunal, particularly when it comes to any form of appeal. You do not have that balance in this section. In fact, what you have is one group that is representing a vested interest group.

You have what we consider to be an imbalance, namely, you have the Metropolitan Toronto Police Association along with the various other groups, including the Metropolitan Board of Commissioners of Police, and you do not have a balance on the other side by having someone representing the public. It became an issue as to whether or not you balanced it by adding or subtracting. What we have chosen to do is to add. I think it is a basic principle that is accepted in any kind of judicial and quasi-judicial body. That is what we have attempted to do in this amendment.

The problem of choosing how you achieve that balance was a difficult one. It is fairly clear that you could not choose a particular visible minority group, if you like, because there are a great number of them and it would be very difficult to choose among them. It also would be cumbersome to have all of the community groups somehow get together and elect a representative, or some such procedure.

The one group that we felt was universally supported by a majority of groups in the community, be they of the visible minority or of other groups, and indeed the one group that is greatly respected by the police, is the Canadian Civil Liberties Association. Therefore, we propose a representative be appointed on the recommendation of the Canadian Civil Liberties Association. The emphasis here, as you will notice, is the word "recommendation." I hope

the Conservatives will accept this amendment as an attempt to obtain balance and appear to be fair to everyone.

10:10 p.m.

Mr. Elston: Mr. Chairman, I would like to indicate that in committee when this amendment was moved, we were unable to support it because we felt it dealt a blow to the simplicity of the operation of the system. We still feel that is the case when one adds another party in the deliberations in relation to the decisions to be made.

We also feel it unnecessarily builds in a further adversarial sort of procedure in setting up the board that is to make the decision. As a result, we will not be able to support the amendment of the member for Etobicoke.

Mr. Chairman: All those in favour of Mr. Philip's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Amendment stacked.

Mr. Chairman: Anything further on section 18? Shall subsections 5 to 8, inclusive, carry? Carried.

On section 19:

Mr. Chairman: I understand there will be no amendments before subsection 12. Shall subsections 1 to 11, inclusive, carry? Carried.

Mr. Elston moves that section 19(12) be amended by deleting the words "beyond a reasonable doubt" in line two and substituting therefor the words "on a balance of probabilities."

Mr. Elston: Mr. Chairman, basically what we wish to do is remove the criminal onus required to show that there has been a wrongdoing on the part of a police officer. We think implementing that particular onus of proof is going too far in dealing with a situation that is not criminal in nature. Certainly the penalties involved, which are to be levied by the people in charge, are not of such a nature that the criminal onus should be required. The "balance of probabilities," the civil onus, is something in keeping with the stature of this investigative procedure. We feel it is not appropriate to implement the criminal onus at this juncture.

Mr. Philip: Mr. Chairman, we can support the amendment. The government has taken great pains to maintain that this is not a criminal action and that, in those instances where there is suspicion of or reasonable evidence to suspect a criminal act has been committed, this act does

not come into force and charges would be laid immediately and the officer would be tried under the court system. It is unreasonable to expect the same quality of proof when on other bodies that quality of proof is never expected.

This amendment accomplishes two things: It clearly distinguishes this body from that of the judicial, court and criminal areas; second, it is a more practical, workable kind of proof, and one that is used in other bodies that are not courts of law.

Hon. Mr. McMurtry: Mr. Chairman, I appreciate the thrust of the arguments. This is a matter that was reviewed very carefully by Mr. Maloney. Mr. Maloney recommends the onus of proof as presented in the bill and we think that on balance we accept Mr. Maloney's recommendation and cannot accept the proposed amendment.

Mr. Chairman: All those in favour of Mr. Elston's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Amendment stacked.

Mr. Elston: Perhaps, Mr. Chairman, to be quick on the whole matter, I might move an amendment to both subsections 13 and 14 of section 19.

Mr. Chairman: Mr. Elston moves that section 19(13) be amended to substitute the words "has committed an act of misconduct" for the words "guilty of misconduct" included in section 19(13), and that the same words "has committed an act of misconduct" be substituted for the words "guilty of misconduct" included in section 19(14), where they likewise appear.

All those in favour of Mr. Elston's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Amendment negated.

Mr. Nixon: On a point of order, Mr. Chairman: Is it the thought that you are going to complete the bill?

Mr. Chairman: Yes.

Mr. Nixon: Who says? I thought we were going to vote now.

Mr. Chairman: Are you calling for the vote?

Hon. Mr. Gregory: Mr. Chairman, the agreement was to vote at 10:15, but with the agreement of the members of the House we could go on to completion because we are very close to the end of the bill. I will go along with anything the member for Brant-Oxford-Norfolk

suggests.

Mr. Nixon: Mr. Chairman, the minister has an amendment that would certainly elicit some substantial comment. I suggest to you that it will not be reasonably possible to finish it. We have a number of amendments to be voted on. We have stacked the amendments through the whole debate until this point. If we are not going to go on until 11 or 11:30, let us get that cleaned up.

Mr. Chairman: The point is taken. There will be a 10-minute bell.

The committee divided on Mr. Elston's amendment to section 5(1), which was negated on the following vote:

Ayes 34; nays 63.

10:30 p.m.

The committee divided on Mr. Elston's amendment to section 5(2), which was negated on the same vote.

Section 5 agreed to.

The committee divided on Mr. Philip's amendment to section 10(1)(c), which was negated on the same vote.

Section 10 agreed to.

The committee divided on Mr. Philip's amendment to section 14(3)(b), which was negated on the same vote.

The committee divided on Mr. Philip's amendment to the amended section 14(3)(c), which was negated on the same vote.

The committee divided on Mr. Elston's amendment to section 14(4), which was negated on the same vote.

Section 14, as amended, agreed to.

The committee divided on Mr. Philip's amendment to section 18(4), which was negated on the following vote:

Ayes 14; nays 83.

Section 18 agreed to.

The committee divided on Mr. Elston's amendment to section 19(12), which was negated on the same vote.

Section 19 agreed to.

On motion by Hon. Mr. Wells, the committee of the whole House reported progress on one bill.

The House adjourned at 10:36 p.m.

CONTENTS

Thursday, October 29, 1981

Third readings

Dog Licensing and Livestock and Poultry Protection Amendment Act, Bill 18,
Mr. Henderson, agreed to. 2983

Sheep and Wool Marketing Act, Bill 19, Mr. Henderson, agreed to. 2983

Livestock Branding Amendment Act, Bill 74, Mr. Henderson, agreed to. 2983

Power Corporation Amendment Act, Bill 141, Mr. Welch, agreed to. 2983

Committee of the whole House

Metropolitan Police Force Complaints Project Act, Bill 68, Mr. McMurtry, adjourned .. 2983

Adjournment. 3003

SPEAKERS IN THIS ISSUE

- Cousens, D.; Deputy Chairman (York Centre PC)
- Cureatz, S. L.; Chairman (Durham East PC)
- Elston, M. J. (Huron-Bruce L)
- Foulds, J. F. (Port Arthur NDP)
- Gregory, Hon. M. E. C.; Minister without Portfolio (Mississauga East PC)
- McMurtry, Hon. R. R.; Attorney General and Solicitor General (Eglinton PC)
- Nixon, R. F. (Brant-Oxford-Norfolk L)
- Philip, E. T. (Etobicoke NDP)
- Taylor, J. A. (Prince Edward-Lennox PC)
- Wrye, W. M. (Windsor-Sandwich L)



Ontario

No. 84

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Friday, October 30, 1981

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Friday, October 30, 1981

The House met at 10:01 a.m.

Prayers.

STATEMENTS BY THE MINISTRY

ARCTURUS AND MEDLON SBDCs

Hon. Mr. Ashe: Mr. Speaker, on May 26, the member for London Centre (Mr. Peterson) inquired as to the status of two corporations registered under the Small Business Development Corporations Act, Arcturus Small Business Development Limited and Medlon Small Business Development Limited.

I pointed out at that time that an investigation by the staff of the ministry was being undertaken and that I would report further at a later date to the extent possible given the secrecy provisions contained in the Small Business Development Corporations Act.

I also want to correct some of the facts contained in comments the member for London Centre made with respect to these two SBDCs during the second reading debate of the Small Business Development Corporations Amendment Act, 1981.

An investigation of the affairs of Medlon and Arcturus by the ministry confirmed that specific actions undertaken by or at the instigation of senior management of the companies in the period between mid-January and mid-April of this year were contrary to the provisions of the Small Business Development Corporations Act. As a result of these actions, the registrations of the two corporations were subject to revocation.

On July 15, I served a formal notice on Medlon and Arcturus of a proposal to revoke the registration of the two companies following the 60-day period required by the Small Business Development Corporations Act. It was recognized that the deregistration of the two small business development corporations may not have been in the best interests of the small businesses in which the SBDCs invested, of District Trust, the financial institution which financed the funding of the SBDCs, or of the original shareholders of the SBDCs, the vast majority of whom appear to have been unaware of the actions being undertaken by management.

The proposals of July 15 were made on the

understanding that the revocations of registration of Medlon and Arcturus would not be carried out if an appropriate business plan was devised and implemented for the operation of the SBDCs and the small businesses.

The investors previously had retained Mr. Don McDougall, a management consultant, to conduct an investigation and make proposals for the future conduct of the SBDCs to realize the best possible return for the investors.

As a result of this report, negotiations were undertaken on behalf of the shareholders with District Trust and, on August 21, District Trust concluded a settlement with the shareholders of both Arcturus and Medlon. This settlement included a takeover bid for all of the outstanding shares of the SBDCs, and approximately 85 per cent of the shares of each company were tendered to District Trust under the bid.

On September 9, District Trust provided the ministry with an outline of its plan to reorganize the affairs of the two SBDCs and to assist four of the five small businesses in which the SBDCs had invested to continue and enhance their business operations.

District Trust had engaged the services of a management consultant in an attempt to determine an appropriate course of action in respect of the fifth small business, and the final report of the consultant was unavailable at the time District Trust made its submission to the Ministry of Revenue.

I am satisfied that the proposals advanced by District Trust will result in future compliance by Arcturus Small Business Development Limited and Medlon Small Business Development Limited with the technical provisions and the spirit and intent of the Small Business Development Corporations Act.

As a result, on September 11, I informed Arcturus and Medlon of my attention to abandon the proposal to revoke the registration of the two companies.

Since September 11, District Trust has announced a reorganization of its assets whereby a subsidiary would be formed to hold the shares of the two SBDCs, Medlon Small Business Development Limited and Arcturus Small Business Development Limited, together with the shares of Lonmed Holdings Limited.

The shares of the new subsidiary are to be transferred to the shareholders of District Trust by means of the declaration of a special dividend. This reorganization was made necessary by the requirements for trust companies established by the department of insurance.

The asset reorganization undertaken by District Trust will not affect the status of Medlon and Arcturus as small business development corporations. The business plan for the SBDCs and the small businesses outlined to the Ministry of Revenue by District Trust will continue to be implemented.

As I mentioned at the outset of my statement, I want to correct certain impressions created by the comments of the member for London Centre during the recent debate on amendments to the SBDC legislation.

The prospectus provided to the prospective investors when Medlon Small Business Development Limited was capitalized outlined the operations and the financial conditions of the small business in which Medlon ultimately purchased shares. Based on this disclosure, each investor had an opportunity to evaluate the potential success of the SBDC. The prospectus for Arcturus provided similar disclosure on one of the two small businesses in which Arcturus purchased shares.

The member for London Centre created the impression that the SBDCs raised their capital from the London area investors and then set about searching "frantically" for small businesses because of the requirements of the legislation. At any rate, the legislation merely requires that an SBDC invest 40 per cent of its capital in small businesses by the end of its first year of registration as an SBDC.

The member for London Centre stated that many of the investors did not fully understand the legislation or that an amount equal to the grants paid could be recovered by the province under certain circumstances. Once again, I point out that the prospectuses for the two SBDCs contain several specific references to the ability of the province to recover an amount of money from the SBDC equal to the grants paid to the individual investors.

The member for London Centre correctly stated that a third company, Lonmed Holdings Limited, was created to be an ordinary investment corporation outside the SBDC program. Lonmed was capitalized by means of joint offering with the shares of Medlon Small Business Development Limited, but the activi-

ties of Lonmed were not subject to review by the staff of my ministry administering the small business development corporations program.

Most, if not all, of the specific investment examples cited as abuses by the member for London Centre were made by companies associated with the non-SBDC holding company. The two SBDCs and the small businesses in which the SBDCs invested ran into financial difficulties after funds were diverted from these companies to cover losses experienced by Lonmed Holdings Limited and its associated companies. It was the diversion of funds in the period between mid-January and mid-April of this year that was the key contravention of the provisions of the Small Business Development Corporations Act.

10:10 a.m.

The honourable member stated that officials of my ministry and myself were terribly embarrassed by the situation of Medlon and Arcturus and that the decision not to deregister the corporations was made to avoid embarrassment. As I mentioned earlier, my conclusion was that the deregistration of the two SBDCs would not be in the best interests of the parties concerned, namely, the small businesses, the SBDC shareholders and District Trust.

Under the circumstances, the proposal by District Trust offered the best chance for the survival and ultimately the growth of the five small companies invested in by the two small business development corporations.

While I regret the events surrounding these two SBDCs, I must say that I am not in any way embarrassed by the actions of the staff of my ministry in relation to Medlon and Arcturus. The whole matter came to light at the time when the SBDCs would have been obliged to provide the ministry with audited financial statements and annual returns.

Given the relatively short period of time over which funds were improperly diverted, earlier detection of the problems would have required the ministry to monitor the ordinary business transactions of the corporations. As a general principle, it is both impractical and undesirable for the ministry to attempt to oversee the day-to-day operations of small business development corporations and the companies in which the SBDCs have invested. The main purpose of the SBDC program was to establish pools of risk capital that would be made available to small businesses.

The ministry's information program has been careful to point out to and advise prospective

SBDC shareholders that an element of investment risk is ever present and that it is the responsibility of the shareholders to evaluate these risks. Indeed, the share certificates themselves point this out to shareholders in a cautionary message printed on the certificate.

In this kind of program, shareholders are expected to take these risks in return for the incentive grants of 30 per cent made available to them through the program. It would be great if every investment made was successful, but this simply does not happen with risk capital. Losses will occur from time to time and are not unexpected.

In addition to this, legislation provides for strict reporting requirements on a periodic basis. The SBDCs and the companies in which they invest must provide information initially in the form of affidavits. This information is confirmed periodically by the filing of annual and information returns together with audited financial statements. In addition, the ministry has conducted and will continue to undertake audits on an ad hoc basis of SBDCs and small businesses.

The situation surrounding Medlon and Arcturus has been clouded in rumour and innuendo. The investigation conducted by the ministry established that many of these rumours are not based on fact and that the errors contained in information presented by the member for London Centre indicate the extent to which the affairs of Medlon and Arcturus may have been misunderstood.

TAX GRANTS FOR SENIORS

Hon. Mr. Ashe: Mr. Speaker, yesterday I was in the midst of a statement when, through distractions and time consumption by others, I was unable to finish. I would like to end it off today, because I think it is a positive type of statement that recognizes the contribution by this government and by my ministry to the seniors of this province.

Just summarizing what I said yesterday, I indicated a program in which the government was in the process of issuing to seniors approximately 1.4 million cheques and recognizing that, since this is a rather massive program, some technical problems do arise in that. But it is safe to say—

Mr. Bradley: The administration of that plan is disastrous, and you know it.

Mr. J. A. Reed: I wish you would check on some of the consumers in my riding.

Interjections.

The Deputy Speaker: Order, please.

Hon. Mr. Ashe: Mr. Speaker, if the members opposite had a 99 per cent efficiency rate, such as this program does, they would be more than happy and would not be sitting in their rather minute numbers across there.

The Deputy Speaker: Continue with your statement, please.

Mr. O'Neil: Mr. Speaker, on a point of personal privilege: When the minister makes comments like this, I want to remind him that, as far as personal privilege concerns my constituency office, this morning I spoke with one of my constituency secretaries, and my office for the past couple of weeks has been swamped with hundreds upon hundreds of calls.

The Deputy Speaker: Order, please.

Mr. O'Neil: No. I feel that I should be able to finish, Mr. Speaker. I might also say that when my constituents call the numbers that the minister has given, they are unable to get through to that office. When I call, when my constituency office calls the minister's office—

The Deputy Speaker: Order, please.

Hon. Mr. Ashe: It sounds like question period.

The Deputy Speaker: Indeed. Mr. Minister, are you going to continue with your statement?

Hon. Mr. Ashe: Yes, I will, Mr. Speaker.

Mr. Riddell: All over the Premier's signature.

Hon. Mr. Davis: I don't think I signed them. The scrolls, I sign; the cheques, I don't.

The Deputy Speaker: Order, please. The minister has the floor. Mr. Minister, will you continue with your statement?

Hon. Mr. Ashe: Mr. Speaker, I will recommence my statement at the beginning of the paragraph in which I left off.

Interjections.

The Deputy Speaker: Order, please. The minister has the floor.

Hon. Mr. Ashe: I will carry on, Mr. Speaker.

The Ministry of Revenue also recognizes that some seniors eligible for the property tax grant did not receive an application form in September. This was an expected development and came as a result of a ministry decision to avoid mailing application forms to ineligible seniors, such as those in nursing homes and similar institutions, as was done in the first year of the program.

Inevitably, therefore, a small percentage of eligible seniors did not receive application forms, largely as a result of changes in accom-

modation and personal circumstances. Such people have been encouraged through media advertising to contact our ministry, thereby initiating the manual production of an application form, which is mailed to them within three weeks.

In conclusion, I again point out that while most seniors now have returned their forms and have had their applications approved for payment by the ministry, problems remain with some accounts; we do not deny this. Whether these difficulties lie with errors in the completed applications or in ministry processing, let me emphasize to the honourable members that we are working diligently to resolve them as quickly as possible.

WHITCHURCH-STOUFFVILLE WATER QUALITY

Mr. Kerrio: Mr. Speaker, I rise on a matter of personal privilege to correct the record as it relates to a statement made by the Minister of the Environment (Mr. Norton) yesterday.

Although we appreciate the extra effort the Minister of the Environment is making with respect to the Stouffville landfill site and drinking water concerns in the area, I wish to correct the statement that the minister made yesterday.

The minister was correct in his statement that the citizens' group from area had refused to name its laboratory. But he also said they did not share the methodology used by the lab for sampling and testing.

The report that was given to the minister's staff gives three areas, and the final one is the methodology used by the laboratory and given specifically to the minister's staff. It comes as a surprise to me that the minister is unaware of that situation.

It is no wonder they have such difficulty understanding what is going on with water quality across the province when the minister's staff gives him such statements as he read to us yesterday.

I hope the minister is going to put the priorities in order and get on with the testing and with making sure of the safety of the water supply, not only in the Niagara River but also in all the wells and situations that exist across the province.

Hon. Mr. Norton: Mr. Speaker, if the honourable member had either listened to or read more carefully my statement yesterday, he would know the reference to the methodology and the concern about the lack of detailed information about it was, I believe—I am

speaking now from recollection—specifically related to the inability to discuss the details of the technology or the methodology with the laboratory since we were not advised as to which laboratory had done the testing. That was the reference that I made.

ORAL QUESTIONS

ONTARIO ENERGY INVESTMENT

Mr. Smith: Mr. Speaker, if I may, I want to address a question to the Treasurer.

The Treasurer undoubtedly is aware of the comments by Mr. Tom Kierans, who was described in the *Toronto Star* of October 18 as "the brain behind the bid by Ontario for big oil stake," and we are all aware of his many positions in the Ontario Energy Corporation, as the head of the brokerage that recommended the deal and as the head of the Ontario Economic Council.

10:20 a.m.

Does the Treasurer agree with the views of Mr. Kierans as quoted in the *Toronto Star* of October 29, in which Mr. Kierans said that Canadianization of the oil and gas industry is ruining Canada's relations with the United States.

He contended, and I am quoting from the article, "that there would be little public support for nationalistic policies such as the new energy and industrial programs if Canadians knew what the costs were." He goes on to criticize the Canadianization program.

Is the Treasurer in agreement with Mr. Kierans as quoted in the *Toronto Star*?

Hon. F. S. Miller: Mr. Speaker, I did not happen to be at that meeting of the Ontario Economic Council; I believe that is the forum he was using for this speech.

I have great respect for Mr. Kierans's abilities both as an investment broker and as an economist. I think he has given freely of his time and of his advice to this government. I respect him for stating his points of view clearly.

I would not say that I always agree with him, but I would hate to think that in this province we did not encourage intelligent, gifted people to express freely their points of view even without the cachet of approval of this province.

Mr. Smith: Mr. Speaker, it will be noted that the Treasurer did not answer the question as to whether he agreed or disagreed with the views of Mr. Kierans concerning the Canadianization policy. But from his earlier statements we suspect that the Treasurer agrees wholeheartedly with those views of Mr. Kierans.

Is the Treasurer aware of the latest profit figures for Suncor, which were published just recently and which indicated that the profit for the first nine months was 95 cents a share, compared with \$4.86 a share one year earlier?

Is the Treasurer aware that at the rate of profit that has been reported for this year and that is likely to continue for this year, it will never be possible in a million years for the government of Ontario to pay for even half the cost of the Suncor deal, the 25 per cent?

Is he aware that it will never be possible for the government of Ontario to pay for that out of profits unless there is a vast increase to about six times this year's rate of profit in the Suncor operation?

Hon. F. S. Miller: I am certainly aware that the profits for the latest period were down dramatically. I am also aware that I believe there were different pricing arrangements for the Suncor synthetic oil plant and the Syncrude synthetic oil plant in advance of the Canada-Alberta oil agreement and that the Canada-Alberta oil agreement materially changed the profitability of the synthetic oil facilities of Suncor.

But I give the Leader of the Opposition one more message. In my private business life, any time I have made a good investment I have bought a company when its profits were down, knowing they were going to come back up.

Mr. Kerrio: All speculators do that.

The Deputy Speaker: Order.

Mr. Cassidy: Mr. Speaker, since the leader of the Liberal Party of Ontario—

Interjections.

The Deputy Speaker: Order. Please continue with your question.

Mr. Cassidy: Will the Treasurer communicate to the Leader of the Opposition the position on Canadianization of the oil industry which has been taken by the Honourable Marc Lalonde and by the federal Liberal government, and will he ask the Ontario Liberals to get together with the federal Liberals to determine which side of this issue they happen to be on?

Mr. Bradley: The enemy is over there.

Mr. Nixon: The NDP is in bed with the Tories.

Hon. F. S. Miller: Mr. Speaker, one of the great advantages of having two opposition parties in this House—

Mr. Cassidy: What about moving to the left, Stuart? Remember that?

Interjections.

The Deputy Speaker: Order, please. Mr. Treasurer, you are answering the question, I understand.

Hon. Mr. Davis: Remember Mel Hurtig's speech to your convention? Remember what he said about it?

The Deputy Speaker: Mr. Treasurer?

Interjections.

The Deputy Speaker: Order, please. Allow the Treasurer an opportunity to respond.

Interjections.

The Deputy Speaker: Mr. Treasurer, will you please respond? Never mind the interjections.

Hon. F. S. Miller: I am being very tranquil. I am waiting for the bullfrogs and bullhorns over there to shut up.

Mr. Nixon: You look like four failed undertakers.

Hon. F. S. Miller: One of the great advantages of this House is that there is always two official opposition parties—

Mr. Kerrio: No, there are not; there is only one.

Hon. F. S. Miller: Well, two opposition parties—

Mr. Smith: You pay them as though there were two.

Interjections.

The Deputy Speaker: Will you answer the question, Mr. Treasurer, please?

Hon. F. S. Miller: It is germane.

Mr. Nixon: Quit stalling.

The Deputy Speaker: Order, please.

Interjections.

The Deputy Speaker: Mr. Treasurer, will you please respond to the question.

Hon. F. S. Miller: What was it? What was the question?

I am now trying very hard to reconcile their point of view that 51 per cent is the least we should have and their point of view that zero per cent is the least we should have with the positions of the federal Liberals and the provincial Liberals.

Let me say that if I have learned anything in the past few years since the Leader of the Opposition took office, it is that he is buddy-buddy with Trudeau the day it counts at the polls but he is sure opposed to him on the day he thinks it does not.

Mr. Smith: If the Treasurer feels that he has bought this company when it is low and that it is

going high again based on the Canada-Alberta oil agreement, does the Treasurer see any irony at all in a situation where he and his Premier have spent the last several years distorting our position on oil prices to say that we were for the world price when, in fact, we were not?

He now tells us that the only hope he has for profit on this speculative and dangerous venture of his is that Suncor from now on, by the new agreement, will be allowed to charge the world price for its oil. Does the Treasurer see any irony at all in the fact that he is now counting on world price for oil to make this speculative deal anything less than a financial disaster?

Hon. F. S. Miller: One would have to study the Canada-Alberta agreement quite carefully to find the categories of oil pricing in it; some of them are considerably less than world price, and the average Canadian price continues to be less.

The Ontario position was always consistent, although the member often chose to misinterpret it. That position always was that the price of oil of all types should not be increased until such time as an agreement was reached between the producing provinces and the federal government on the distribution of oil, until such time as steps were taken to ensure security of supply in this country and until such time as the ways and means of redistributing the surpluses across the provinces were determined.

That was our position in 1979, and it remains our position.

DIOXIN IN FISH

Mr. Smith: Mr. Speaker, I have a question for the Minister of the Environment.

The minister undoubtedly is aware of the reports that have appeared in newspapers recently concerning the 417 parts per trillion of dioxin found in carp from the Niagara River near the Love Canal.

Is it the minister's understanding that there is a substantial quantity of dioxin buried in the Love Canal as a consequence of the actions of the Hooker Chemical Company in the late 1940s and early 1950s? Is there dioxin there?

Hon. Mr. Norton: Mr. Speaker, there is no specific knowledge of quantity of dioxin, if there is dioxin present there.

Mr. Kerrio: There are about 2,000 pounds.

Hon. Mr. Norton: The Leader of the Opposition's critic has just thrown out one of the figures that is speculated in terms of the Niagara area, but it is clearly not known specifically. The estimates range all over the map, in fact.

Mr. Smith: Is the minister at all concerned that Mr. Grant Mills, who is regional director in the west-central region and a man on whose advice he relies regarding interventions on the Hyde Park dump and other areas, stated yesterday that while he has heard of the dioxin's existence, he still believes that it is not specifically known that there is any dioxin there; he has heard talk about it, but he does not really know that it is there?

How can he say that, and how can the minister say that he is not at all sure of the matter, in view of the documentation in *The Ravaged River*, for instance, and in the definitive book by Michael Brown, *Laying Waste*, which is the book on the Love Canal and the dioxin question, which makes it very plain that there are some 170 pounds of tetradoxin buried as a consequence of the actions of the Hooker Chemical Company in the Love Canal.

If the minister and his chief officials in this matter are still unsure as to whether there is dioxin in the Love Canal, does that not go some distance towards explaining their hesitancy to protect our interests in this area?

10:30 a.m.

Hon. Mr. Norton: If the member had listened to my earlier response, I did not say the uncertainty related to whether or not there was but rather to speculation over the quantity. He used the figure of 170, and his own critic just said 2,000 pounds. That is a very good illustration of the kind of speculation that has taken place.

Mr. McClellan: Mr. Speaker, I wonder if the minister will give us an undertaking to prepare and table in the House a summary of all the testing that has taken place by his ministry for dioxin in fish, listing the number of fish that have been tested and the results since the testing began, to date and henceforth.

The reason I ask is that there seems to be a certain degree of ambiguity, at least in my mind, as to how much testing actually has been done and whether the ministry is doing the kind of testing his predecessor said would be undertaken when he made the commitment back in December 1980.

Hon. Mr. Norton: As I think the honourable member knows, Mr. Speaker, we made the results of our testing available as soon as it was completed on the—

Mr. McClellan: On 14 fish? Is that all the minister has done?

Hon. Mr. Norton: No, not 14 fish. For goodness' sake, the member knows we released the results of the tests in June or July this year, and then this very week we released the results of further tests on nine fish, which is part of an incomplete testing program.

I felt it was important to release that information as soon as we had it, because of the results that were detected. We have always made the information available as soon as we had it or very shortly thereafter.

Mr. Smith: Is the minister not aware that in the book *Laying Waste*, by Michael Brown, it is indicated that Bruce Davis of Hooker Chemical admits to the existence of dioxin there and it is pointed out that, according to the calculations of Mr. Whiteside, there would be 130 pounds of tetradoxin in the Love Canal.

Does the minister not understand the point I was making in my first question, that Grant Mills, the chief Pooh-Bah in that area, when asked by my own researcher the day before yesterday, did not argue quantity but said that, although it has been speculated that dioxin is buried in the Love Canal, he does not personally know of its existence and he is not prepared necessarily to believe it is there?

Will the minister kindly talk to his expert in the area, give him a basic reading list and make sure the people representing Ontario's interest at least have read the fundamental documents on this matter?

Hon. Mr. Norton: I do not propose to speculate about conversations the honourable Leader of the Opposition's minions have with people wherever. If he wants to, he can converse with me. I have already stated my views on that subject. He knows what I have said.

In so far as he is relating this alleged conversation with a man for whom, I might say, I have a great deal of respect—he is much more competent than some of the people the member relies upon—I suggest that the member rely on his conversations with me or his questions in this House rather than speculating about other conversations.

CAMPAIGN EXPENSES

Mr. Cassidy: Mr. Speaker, I have a question for the Premier. Is the Premier aware that the campaign contributions of the member for Ottawa South (Mr. Bennett) included 45 companies connected to the real estate industry? They included not only a number of companies in construction and real estate in the Ottawa area but also major Toronto area developers

like Markborough Properties Limited, S. B. McLaughlin and Company Limited, Costain Limited and Nu-West Development Corporation Limited?

Does the Premier not think it is improper that the minister responsible for housing should be accepting campaign contributions from so many companies in the industry in which the minister is required to regulate and make planning decisions? Would it not be healthier if we had limits on spending by candidates in this province so that a minister did not have to put himself into that kind of improper position?

Hon. Mr. Davis: Far be it from me to say there were two questions rather than one, but the reality is there were two questions. First, was I aware and the answer to that is no. I confess, knowing some of the decisions of this government, I am a little surprised that some in that industry were forgiving enough to make a contribution. Second, the question of who contributes is public. That is the important aspect and it really is not relevant to the amount of expenditure.

[Applause.]

Mr. Cassidy: For the record, 66 of the ridings won by the Conservative Party were also ridings where they spent more money than either of the other two parties. That is why they are applauding.

Contributions are clearly related to spending. And the Minister of Municipal Affairs and Housing would not have required \$20,000 in contributions from developers and people in the real estate industry if he had had a \$27,000 campaign rather than a \$74,000 campaign—in other words if he had spent sensibly. In view of this, would the Premier be willing to put this matter into the hands of an independent tribunal to determine whether they would recommend that there be spending limits on campaigns? Specifically, would the Premier be prepared to refer this matter to the election expenses commission and have them report back to the Legislature within a year?

Hon. Mr. Davis: I should also point out that the contributions made to the Progressive Conservative Party are made, as I believe they are to the Liberal Party of Ontario, on a totally voluntary basis. People make that determination for themselves. There is no pressure; there is no indication they have to contribute to certain funds in order to support a political party. They do it because they want to do it. I know that offends and upsets New Democrats

because that is not the way people contribute to their party. I think the public is a little tired of the sour grapes—

The Deputy Speaker: The member for Ottawa Centre on a point of order.

Mr. Cassidy: Is the Premier suggesting that people do not contribute voluntarily? Is he not aware that when workers contribute via the checkoff, they—

The Deputy Speaker: Order. The member for Ottawa Centre is out of order. Continue, Mr. Premier.

Hon. Mr. Davis: I think the honourable member should do some calculations and look at his total expenditures and the number of seats. I would only refer to the campaign in Ottawa South. I do not know what the totals are, but the Progressive Conservative in that riding could have spent less and won by as large a vote. I am not going to argue that because the NDP was never in the ball game. No one in that riding would have any support for their philosophy even though the leader happened to live next door. He had great difficulty convincing even his own constituents to support the political point of view he was trying to persuade the people of Ontario to accept.

The member should please understand one thing. We can debate the amount of expenditures; I do not quarrel with that. I am prepared to debate it any time. But the fact remains he lost because he was not able to convince voters his approach to the economic and social wellbeing of the people of Ontario made any sense. It is as simple as that. He lost because he did not have the policy. I will not put it on any personal basis as to his own ability to project those policies he supports.

Mr. Conway: My supplementary touches on my concern about the Premier's response to the leader of the New Democratic Party and it deals with the expenditure side. Since there is apparently a wide degree of public support for the federal ceilings which limit expenditure at the local level I want to know in the name of what public morality is it acceptable in this province that the taxpayer, through the political tax credit, should subsidize the extravagance of an open-ended expenditure? In other words, why are we going to allow endless expenditure at the local level?

10:40 a.m.

In the name of what public morality is it that the taxpayer, through the political tax credit system, should subsidize that extravagance to

the point where we now see the taxpayer subsidizing \$8,000 post-election parties? These and a variety of other expenditures surely violate the spirit, if not the letter, of the initial electoral reforms entered into in this province some five or six years ago.

Hon. Mr. Davis: Mr. Speaker, I do not quite follow the logic of the honourable member's question. I really do not.

Interjections.

Hon. Mr. Davis: I will tell the member for Wentworth North (Mr. Cunningham), who is probably most able of anybody over there to demonstrate that attitude of sour grapes, why his party lost. Does he want to know why? No, I will not tell him.

The Deputy Speaker: Mr. Premier, would you respond to the question?

Hon. Mr. Davis: Mr. Speaker, I do not really follow the logic. The law makes it very clear that every member who receives whatever percentage of the vote is entitled to the same basic amount. If the honourable member is suggesting that some member should and some member should not, I would question not "the morality of it" but the equity of it. How does the member make that sort of determination? How does he know what an individual candidate may raise in the next election, for instance?

I think the legislation which this House voted upon and which was accepted, was based upon the equity of every candidate receiving the same measure of support. That was the underlying principle. I would be surprised if the honourable member, in thinking it through, would want to upset that principle.

Mr. Cassidy: I want to put this question very seriously to the Premier. He is entitled to his opinion that there is no need to have any limit on the spending in local campaigns by candidates for the Ontario Legislature. After all, 66 of the winning Conservative candidates were the top spenders and, therefore, it is obviously in the interests of the Conservative Party not to have any limit on spending.

However, is the Premier prepared to have the question of whether there should be ceilings on spending by central campaigns and by candidates in Ontario referred to a nonpartisan inquiry which could be carried out by the election expenses commission? Is he prepared to measure his opinion against the opinion of that nonpartisan body and have that body come back with a report and recommendations to this Legislature on which we can subsequently act or

not act depending on the will of the House? Will the Premier agree at least to make the reference to the election expenses commission on the question of ceilings on spending in election campaigns?

Hon. Mr. Davis: With great respect, while the commission operates I hope in a nonpartisan fashion, to say that it is a nonpartisan body when the NDP appoints to it, when the Liberal Party of Ontario appoints to it, really is not expressing the facts. It is not a nonpartisan body.

The member can go through riding by riding and he will find in those ridings where the Progressive Conservative candidate was successful they quite possibly had better campaigns. I quite honestly cannot recall the exact amount in the riding of Brampton, but one has to look at some of the figures. The member has the figures there. He has them all. I do not carry them around with me. It was something like \$40,000 or \$52,000.

I have probably in the neighbourhood of 70,000 voters. I think I am fairly close. The population is about 120,000 to 125,000. All the member has to do is calculate in my riding, as an example—if my figures are roughly correct—it means it is about 75 cents per voter. That is what our expenditure was. It was somewhere in that neighbourhood. I cannot give the member the exact amount.

Interjections.

Hon. Mr. Davis: I am not saying whether it is a sensible limit. I am just saying the member is including me as being one of the extravagants.

The Deputy Speaker: Order, please. We will have a new question.

MILK PRICES

Mr. Cassidy: Mr. Speaker, I have a new question of the Minister of Consumer and Commercial Relations who is supposed to be responsible for protecting the consumers. The government did nothing to investigate the wholesale milk price increases that took place in February and in August, and which together have added about eight cents a litre to the price of milk this year. In view of this would the minister say what he intends to do when, on Monday, Neilson's dairy has indicated it intends to add two cents a litre to the price of milk on top of the two cents a litre which has been awarded by the Ontario Milk Marketing Board for farmers?

Hon. Mr. Walker: Mr. Speaker, that is the same question the member for Welland-

Thorold (Mr. Swart) asked last week. Is that where the member is getting his research now, by reading old Hansards? Maybe he can ask the question he asked two weeks ago.

The Deputy Speaker: Answer the question please.

Hon. Mr. Walker: I answered the question two weeks ago. We have been discussing it quite thoroughly in the estimates process downstairs. The member might like to drop in there and continue it further.

I note the price of a three-quart bag is \$1.89 today in the Dominion store. It is worth knowing that. The member's question involved the Neilson company. It is interesting that the NDP members raise all kinds of different companies. The critic, the member for Welland-Thorold, raised the question a few days ago that related to Silverwood and chose not to report all the figures that were presented. It was very convenient; some reference was made to all the great profits Silverwood was making, but he failed to mention that in the first six months of 1981 there was a substantial loss. I find it interesting the member is very selective in his choice of names and the choice of ones he wants to bring out.

Mr. Cassidy: Since the minister gave a totally irrelevant answer, perhaps I can ask the question again. Since the farmers have to justify before the milk marketing board every penny of any increase they get in the price of milk, why should not the same apply with respect to the wholesale price charged by the dairies?

Why is it the dairies, Neilson in particular, on November 1 are going to take a two cents a litre price increase with no requirement to justify it? Why will the minister not move in to protect consumers and make dairies justify their wholesale price increases the way the farmers have to?

Hon. Mr. Walker: What the member is really advocating here is simply a form of wage and price control.

Mr. Swart: Supplementary, Mr. Speaker: Does the minister not realize—and he must—that eight out of 10 provinces have some form of price review between the farm gate and the consumer? Is the minister so out of touch with reality that he does not realize the retail prices of milk in Quebec average six to seven cents per litre less than in Ontario?

Quebec has approximately the same consumer marketing system and population as we have here. Does the minister realize in Quebec the dairy as well as the farmer must justify any

increase? So must the retailer. Hearings are held where the consumers have a voice. If they can sell that milk that much—

The Deputy Speaker: Question please.

Mr. Swart: —cheaper in Quebec and pay the same to the farmer, does the minister not think we should have that kind of system here?

Hon. Mr. Walker: Mr. Speaker, I had some difficulty hearing the member. Maybe his microphone was not on, I am not sure. Maybe he had it in his mouth. It was all muffled.

The Deputy Speaker: Come on, respond to the question.

Hon. Mr. Walker: It is very interesting how—
Interjection.

The Deputy Speaker: Respond to the question.

Hon. Mr. Walker: I am just trying to quiet down the other side. They are a bit rambunctious this morning. They are having their normal Friday morning blues.

The Deputy Speaker: Respond to the question.

Hon. Mr. Walker: It is interesting that the leader of the New Democratic Party has just determined in effect that he wants price controls in relation to the wholesale price of milk. He is saying they must appear and justify. On the other hand, the member for Welland-Thorold has referred to price reviews that other provinces may have. There is quite a substantial difference between the two.

It is interesting the leader of the NDP raised the question of Neilson; Neilson has reported to us this is their first fluid milk price increase since February 1, 1981—a period of nine months. Yet in the same interim period they too have had substantial increases. For instance, their energy costs alone have gone up. They wrote us a letter dated October 26 in which they asked—

10:50 a.m.

Interjections.

The Deputy Speaker: Order. Order. Are you going to respond to the original question from the member for Welland-Thorold (Mr. Swart)?

Hon. Mr. Walker: That is exactly what I was doing, Mr. Speaker.

The Deputy Speaker: New question.

FOOD INDUSTRY PRACTICES

Mr. McGuigan: My question is to the Minister of Agriculture and Food, Mr. Speaker. It relates to the evidence presented before the

Royal Commission of Inquiry into Discounting and Allowances in the Food Industry in Ontario and the pressure exerted on the farmers and independent retailers by the trade practices of major chain stores. Given these and given the latest supermarket price war would the minister assure this House, the farmers and independent retailers that this battle will not be fought on the backs of Ontario farmers?

The minister realizes the chains have little effect on imported products, because the prices of these products are set in a market of about a quarter of a billion people—there are several questions here. The price of—

The Deputy Speaker: Let us try to have one question. Try it again. One question—now.

Mr. McGuigan: Does the minister realize the chains have little effect on imported products, because those prices are set in a market of a quarter of a billion people? Does he realize they do have a tremendous effect on the prices of domestic Ontario products, which are set in a market of just over eight million people?

The Deputy Speaker: Thank you. We have the question.

Mr. McGuigan: Will the minister call on the heads of these companies—

The Deputy Speaker: Order, please. We have heard the question.

Hon. Mr. Henderson: Mr. Speaker, there is a combination of questions—not a lot of questions, but a combination. Would the honourable member please single them out and ask me? I will answer them, but will he give me one at a time so I can answer them and so he will not get his mind clouded?

The Deputy Speaker: We are having difficulty here. Let us try a supplementary.

Mr. McGuigan: I think my supplementary sums it up, Mr. Speaker: Will the minister call on the heads of these companies and tell them that he will not stand by and watch them fight the war until the last farmer and the last independent retailer is dead?

Hon. Mr. Henderson: Mr. Speaker, I am trying to understand the question. Do I take it the honourable member is suggesting the stores should not engage in this competition? Is that the intent of the question?

Mr. Smith: No. He is not saying that at all.

Hon. Mr. Ashe: Sure he is. Indirectly he is.

Hon. Mr. Henderson: Is that the intent of the question, Mr. Speaker? My concern is the pressure that these stores might put on the

individual farmer, and if the honourable member can bring in a report from any individual farmer that this type of pressure is being put on—

Let me take this a step farther. I remember reading in the paper recently—like this week—that the price of beef in these chain stores has gone down five or six cents a pound. In the same paper I read that the small packing companies are paying four cents a pound less for the beef. So if the chain stores are applying it they are applying it to large companies that are processing the beef, and they in turn are buying it cheaper from the farmer. That is the part that really concerns me: the overall farm economy, the prices the farmers are getting. And this is brought on by the high cost of borrowing money, caused by the government of Canada.

Ms. Copps: Final supplementary, Mr. Speaker: The honourable member mentioned two elements of society who are being particularly hurt by this—small farmers and small businesses. Was I correct in hearing the minister say the only group he was interested in was the small farmers? Was he not interested in the small business persons, who were one of the areas mentioned in the supplementary raised by the member for Kent-Elgin? Is his government not concerned about the small business person in this province?

Hon. Mr. Henderson: It is easy to see the honourable member was not listening and really is ready to destroy the economy as are her federal colleagues. This government is interested in the total economy, at whatever level one wants to take it—small business, the farm machinery agents, the little storekeeper and, more important, the farmer and the consumer. We are interested in both—that they have the appropriate supply of food at a price at which the farmer can afford to supply it.

Ms. Copps: Mr. Speaker, on a point of privilege: The minister said “his only concern,” and Hansard will read that way. He may want to stand up and change his statement, but that is not what he said in this House.

Hon. Mr. Henderson: Mr. Speaker, I am not changing my statement. This government is interested in every citizen in this province.

QUEEN STREET MENTAL HEALTH CENTRE

Mr. McClellan: Mr. Speaker, I think the Hammy award went to the wrong member.

I have a question for the Minister of Health

with respect to Peat Marwick and Partners consulting report on the Queen Street Mental Health Centre which is located in my constituency. The members will recall the minister has refused to make the interim report available, but I have a summary of that report which was prepared for department heads at Queen Street.

My question is with respect to problem area number 10, the large number of absent without leave patients identified by the consultants. Can the minister explain how many patients per day, both voluntary and involuntary, go AWOL? Can he explain why it is that voluntary patients at Queen Street are apparently able to leave the hospital clad in pyjamas without anybody paying any attention? Second, why is it that involuntary patients who are there on a certification are permitted to leave the hospital at all?

Hon. Mr. Timbrell: Mr. Speaker, I think it is fair to say one of the recommendations coming out of this review is that the philosophy which has governed the operation of that hospital for a number of years needs to be changed. More needs to be done to effect secure arrangements for those who need secure arrangements.

The purpose of engaging Peat Marwick to do an external review of the hospital was generated by our conviction there were indeed problems in that hospital's operation which required an objective external examination to assist us in ensuring that, once completed, the program was appropriate for all—the staff, the patients and the community.

I did not know it was in the member's constituency. I thought it was in the constituency of the member for Parkdale (Mr. Ruprecht).

Mr. McClellan: He has the boarding homes. I have the hospital.

Hon. Mr. Timbrell: The member may, too. That is one specific problem which led us to conclude the time was right to examine the operation and particularly to re-examine the philosophy which guides it and to make the necessary changes.

Mr. McClellan: I asked the minister this privately and raised it on a matter of privilege. I asked him privately a second time. I ask him publicly if he will make an undertaking to table in the House the interim report of the Peat Marwick consultants. That interim report calls for a major change in the role of the Queen Street Mental Health Centre to one of providing tertiary care—that is long-term chronic care—for approximately 60 to 70 per cent of its patients.

I would ask him to table that report and, second, to table the full report of the Peat Marwick consultants before a final decision is taken by cabinet and the government. In this way, those who are concerned—and it is not just those in the mental health field who are concerned but everybody in the health care system who will be affected by a major shift in the role of Queen Street Mental Health Centre—can have an opportunity to see and discuss the report before a final decision is taken by government.

11 a.m.

Hon. Mr. Timbrell: Mr. Speaker, if it is the honourable member's impression that Queen Street Mental Health Centre is not now serving a tertiary care role then I am afraid he is mistaken. That is not something new. Queen Street Mental Health Centre, together with the other nine provincial psychiatric hospitals, serves a tertiary or regional role.

When the report is finalized, as I indicated to the member last evening, it will be released. I am sure whatever are the contents of the final report, whatever are the decisions of the government, any changes that will take place at Queen Street Mental Health Centre will not occur overnight. They will take place over a considerable period of time. We accept that we have the responsibility in the ministry and in the government to decide on what those changes will be and to take responsibility for them.

Mr. Ruprecht: Supplementary, Mr. Speaker: Is the minister now prepared to reinstitute a committee that was established at one time to deal especially with housing of ex-psychiatric patients in the Parkdale area? Will he make a commitment that people leaving psychiatric centres, especially the Queen Street Mental Health Centre, will be able to find housing accommodation? In short, is he able and willing to reinstitute that committee that looks after people who are leaving, especially this psychiatric institution?

Hon. Mr. Timbrell: Mr. Speaker, perhaps the honourable member was not in the House a few weeks ago when we discussed this matter, but I indicated that we have established an assessment unit at Queen Street Mental Health Centre to examine the needs of our discharges. Also we have begun, with the assistance of a number of outside organizations, to try to access available housing accommodation for people who require it. The bulk of our patients,

when they are discharged, go back to their own homes, but there are a number who do require assistance. So we are already doing that.

If the member would like, I will be glad to send him a copy of a letter I sent to the district health council two or three weeks ago that outlines all the things we are doing with respect to the housing needs of discharged patients, particularly those who require some form of a more supervised atmosphere than a totally independent one.

USE OF PEAT

Mr. J. A. Reed: Mr. Speaker, I have a question for the Minister of Energy (Mr. Welch). On Monday, the government revealed the results of a very extensive study that shows the tremendous potential in Ontario for the development of peat resources, which are one of the great potential energy areas for the future in this province. On Tuesday I asked the minister a question about the wisdom of investing \$650 million in Suncor. In his answer—and I would like to read it into the record—he said, “So I do not think the honourable member serves the people of the province well by attempting to convey the impression that we are ignoring other areas of responsibility.”

Almost within 24 hours of that time—I think it was a little prior—the Minister of Natural Resources (Mr. Pope) said there was no incentive or investment in the peat industry being undertaken by the province. All he said was that some incentives were being contemplated. So I would like to ask the minister just what incentives are being contemplated for the private or the public development of peat resources in Ontario?

Hon. Mr. Welch: Mr. Speaker, I think it is very important to emphasize the importance of context. The honourable member raised a question on Tuesday near the end of the question period. I am sure if there had been time, and in supplementary questions, there could have been some expansion on the answer. The honourable member, in fairness, will realize it was the very last question and he did not even have time for a supplementary question.

I started off by saying it was not an either/or proposition from the standpoint of looking after the security of the energy requirements of the people of Ontario. We had to be active and involved on a number of fronts. He made some reference to the Suncor transaction. I would remind him that for the present and the foreseeable future, the hydrocarbons—that is oil and

gas—will form a very prominent place in the energy requirements of Ontario. At the moment it represents about 65 per cent of our total energy requirements.

In the meantime we have to be busy—in the name of crude oil self-sufficiency and for a number of reasons which the honourable member and I have talked about during estimates and on other occasions—doing things in the alternative energy areas and building on the indigenous resources of the province. In fact, as a provincial jurisdiction we have established a goal in this province of 37.5 per cent of our total energy requirements coming from resources indigenous to Ontario.

It is obvious, as a result of this symposium, that peat will form a very important part of that consideration, as will lignite, as will uranium, as will our hydraulic resources and so on. We have already shared with the honourable members of this House the investments that we are making over a period of time to accomplish those goals and to reach those targets. We will obviously be encouraged now as a result of this symposium to do some further work with respect to this particular resource, as we are doing in a number of other areas. That is the context in which I gave an all too brief answer at the end of the question period on Tuesday.

Mr. J. A. Reed: I appreciate there was no time to get into supplementaries last Tuesday but the impression was clearly left, and I could read the whole answer, that while responsibility was being taken in these other areas, other parts of the government suggest that there is no investment in these other areas. I am asking a very simple question: What incentives are being contemplated for the private or the public development of peat in Ontario, and have any decisions been made?

Hon. Mr. Welch: In answer to the second part, no decisions have yet been made. The whole principle behind the alternative transportation fuel program announced a year ago in this House was our involvement and our investment with respect to research and development and to bring some of these developments to a particular level that might be attractive to the private sector.

That alternative transportation fuel program, a five-year program, was announced a year ago. It is there for the member for Halton-Burlington and all members of the House and the people of Ontario to see the initiatives we are taking on a number of fronts.

Mr. Stokes: Supplementary, Mr. Speaker: For the benefit of the member for Halton-Burlington, I would like to ask the minister why he did not mention the \$58 million Canada-Ontario agreement, dollars for industrial demonstration projects, that was touted by both federal and provincial representatives at the peat symposium in Thunder Bay on Monday and Tuesday?

If the minister is aware of this program, will he support my application to this program so that Ontario Hydro will conduct such a program or project to develop the peat resources indigenous to the area of Armstrong, where they are paying 40.5 cents per kilowatt hour for energy at the commercial rate? Will the minister undertake to support my application to the program so that Ontario Hydro will act as the vehicle for a demonstration project?

Hon. Mr. Welch: Mr. Speaker, I am familiar with that program and I assume the honourable member who has asked the question is familiar with the program. We have discussed it in our estimates as a shared program between the government of Canada and the government of Ontario. Certainly I would want to stop short of making a commitment with respect to any particular application until we have had the opportunity to review. It is sufficient to say at this stage that I am attracted to the tremendous potential we have in this province because of the extent to which we have these holdings.

MILK PRICES

Mr. Swart: Mr. Speaker, I have a question for the Minister of Agriculture and Food. In view of the indifference of the Minister of Consumer and Commercial Relations (Mr. Walker) to the dramatic increase in the retail price of milk, does it bother the Minister of Agriculture and Food that the farmers' share of the retail price in Ontario is dramatically reducing, while it is being held or increasing in most other provinces in Canada?

Does the minister know, for instance, that in Manitoba the farmers' share of the retail price of milk has increased by four per cent in the last three years; in Alberta by two per cent; and in Saskatchewan by six per cent, while the farmers' share here has dropped by six per cent in three years? Does he know that the increase which is going to take effect Monday will reduce that still further? Is the minister willing to intervene on behalf of the farmer to see that he gets his proper share of these increases?

11:10 a.m.

Hon. Mr. Henderson: Mr. Speaker, it is too bad the honourable member for York South (Mr. MacDonald)—the asphalt farmer—is not here. Yesterday I hand delivered to that member a copy of a letter from the chairman of the Ontario Milk Marketing Board. That letter set out the percentages that the farmer is getting at the gate for his milk here in Ontario, and it compares it with eight jurisdictions all around the world.

The farmer in Ontario is getting something like 64 per cent, and it is fine with the chairman of the milk marketing board, Mr. Ken McKinnon. It goes on and points out that there are areas of the world where the farmer gets only 45, 48, 54 per cent.

I personally have looked at the price of milk around the world, and I find that wherever we go the farmer gets about a cent an ounce for fluid milk. I find the price paid by the consumer for the three-quart pack here in Ontario is about as cheap as it is in any jurisdiction.

Sure, we may find a place where instead of paying \$1.75 or \$1.80 for the three-quart pack they might be paying \$1.74. But, all in all, the consumer in Ontario is getting as low a price as the majority of the world.

Mr. Cassidy: Where has the minister been? He is two years out of date.

Hon. Mr. Henderson: No, I am not.

Mr. Swart: I might remind the minister that he does not have jurisdiction over the price of milk around the world; he has jurisdiction here over what the farmer gets, whether he gets his fair share.

Does he not know that a farmer in Quebec, where they have a market similar to what we have here, gets a substantially higher share than a farmer does here? Would he please answer my question, when he gets up, on why in other jurisdictions, in all the populated provinces but Ontario, they have been able to increase the farmer's share while it is dropping here?

Hon. Mr. Henderson: The other provinces just increased them to the percentage the farmers in Ontario have been getting.

ASSISTANCE TO FARMERS

Mr. Riddell: Mr. Speaker, I have a new question for the Minister of Agriculture and Food. Since the cabinet meeting with the Ontario Federation of Agriculture on Wednesday, in which the president of the OFA called for the declaration of a state of emergency in the farming industry, has he had a chance to discuss

the matter further with the Premier (Mr. Davis), and is he now convinced that the \$3 billion investment in Suncor over 10 years would have been better spent on the farming industry in order to get it back on its feet, since the farming industry provides one job out of every five here in Ontario?

The Suncor investment will provide no additional jobs, and it is questionable whether it will provide benefits of any kind here in Ontario. Has the minister had a chance to discuss with the Premier what the government can now do to get the farming industry back on its feet?

Hon. Mr. Henderson: Mr. Speaker, apparently the honourable member does not want to assure a supply of energy to our farmers. We in the government are interested in making certain that there will be energy for our province to operate on. The Premier of this province is fully aware of all the activities within this province. We have an opportunity for dialogue with our Premier that apparently the member opposite does not have with his leader.

Mr. Riddell: I notice the Minister of Energy (Mr. Welch) was very quick to get a little memo over to the minister. I was expecting his usual response—that it is a federal government jurisdiction.

When is this government going to stop blaming the federal government? Has the minister ever stopped to consider that maybe the federal government MPs are not too concerned because they know all the other provinces have a program implemented to help their farmers? Therefore, it may be very difficult for the Ontario MPs to convince all the other MPs there is a problem here in Ontario.

With that consideration, does the minister not feel it is time to implement a program here in Ontario similar to those of the other provinces in order to give the farming industry here the lift it has to have before we in Ontario lose the status of being the breadbasket of Canada?

Hon. Mr. Henderson: Mr. Speaker, I have really been wanting an opportunity to give a few facts and figures. The honourable members over there ignore this, but they know that we as a government have already given \$20 million to the finished-beef farmers in this province. Let us look at Durham, Bruce and Grey, the three counties where all the noise comes from that we are doing nothing. We have put \$6.5 million into those three counties in the last three months through beef stabilization, and the member says we are doing nothing. He knows better.

Mr. Wildman: Supplementary, Mr. Speaker: Can the minister please explain why in Ontario—where he is concerned, as he said, with the supply of fuel for farmers—he cannot also match the program that was brought in for low interest loans in Saskatchewan, where they are also concerned about the supply of fuel for farmers?

Hon. Mr. Henderson: Mr. Speaker, the honourable member really has not studied our budget or he would be able to tell this House that 60 per cent of the budget that comes under my ministry goes out in the form of direct subsidies to the farmers—not as interest or anything, but direct subsidies. And yes, his riding gets some of it, too. He knows that full well.

UNEMPLOYMENT

Mr. Cooke: Mr. Speaker, I have a question for the provincial Treasurer. I would like to know if the minister is aware of the rather desperate condition the city of Chatham is in with an unemployment rate of over 11 per cent and an unemployment rate among auto workers in that city of 25 per cent? Is he further aware that there have been massive layoffs at Canadian Fram, Motor Wheel, Eaton Yale and Rockwell, which has just closed down a plant, just to name a few plants, that their welfare budget has gone up 33 per cent in 1981 above 1980—

The Deputy Speaker: Question.

Mr. Cooke: Is the minister aware of this, and what is he planning for Chatham and many of the other cities in southern Ontario that are suffering from extremely high unemployment because of the high interest rate policy of the federal government?

Hon. F. S. Miller: Mr. Speaker, of course I am aware, because for one thing we have a very fine member from Chatham-Kent (Mr. Watson) who keeps me fully informed about the problems of that area. That member deals with the ministers of government to try to tackle the fundamental problems of our economy, and the member helped me, as the opposition pointed out, by naming the most important one. Mr. Iacocca, no less, said that he has three problems in the automobile industry: high interest, high interest, high interest. That problem emanates from the federal government.

Does the member know that today the interest rates in Canada are between three and four per cent higher than they are in the United

States simply because the incompetence of and lack of confidence in the federal government are driving many a Canadian manufacturer out of the country through lack of trust?

The Deputy Speaker: The time for questions has expired.

11:20 a.m.

MOTION

HOUSE SITTINGS

Hon. Mr. Wells moved that the House adjourn on Tuesday, November 10, at 6 p.m. and stand adjourned until 2 p.m. Thursday, November 12.

Motion agreed to.

Hon. Mr. Wells: Mr. Speaker, this means the House will not be sitting on the evening before the November 11 holiday. I might also inform the members that it has been decided we will begin Monday evening sittings on November 9.

INTRODUCTION OF BILLS

TOWN OF BRACEBRIDGE ACT

Mr. Eves, seconded by Mr. Cousens, moved first reading of Bill Pr32, An Act respecting the Town of Bracebridge.

Motion agreed to.

TOWN OF GRAVENHURST ACT

Mr. Eves, seconded by Mr. Cousens, moved first reading of Bill Pr33, An Act respecting the Town of Gravenhurst.

Motion agreed to.

TOWN OF HUNTSVILLE ACT

Mr. Eves, seconded by Mr. Cousens, moved first reading of Bill Pr34, An Act respecting the Town of Huntsville.

Motion agreed to.

RESPONSE TO WRITTEN QUESTIONS

Mr. Foulds: On a point of privilege, Mr. Speaker: On October 16, I placed question 145 on the Order Paper asking the government to table any documentation leading up to the decision to purchase Suncor other than the glossy material the Premier (Mr. Davis) had at the press conference on the Suncor deal. I asked them to table any documents such as those that were done for Project Wellesley when Hydro was thinking of taking over the uranium mines. I also asked the government to table the agreement in principle that was reached and signed, presumably on October 13.

Today it is 14 days since that question was placed on the Order Paper and there has not been an indication either from the minister or the government House leader that even an interim answer is forthcoming. I would request that information before the end of the day.

Hon. Mr. Wells: Mr. Speaker, I will be glad to check that out for my friend. Obviously, I do not think anything will be ready today. I apologize for the delay and I will see if I can get an answer.

Mr. Breithaupt: Mr. Speaker, with respect to the same theme, if one looks at question 150, additional information is being sought by the opposition concerning the matter of fees and commissions with respect to the firm of McLeod Young Weir in this same matter. If the information can be made available today as well, this would be most helpful.

The rest of the questions, obviously, are within the two-week frame, but these two points in questions 145 and 150 raised on the Order Paper by the member for Port Arthur and the member for London Centre (Mr. Peterson) would provide information to the House which would be most appreciated.

Mr. Van Horne: Mr. Speaker, on a point of order in the same vein as the earlier two members, I was hoping the Minister of Consumer and Commercial Relations (Mr. Walker) would be here so I could raise this point: On June 16, 1981, I asked a question related to the Housing and Urban Development Association of Canada funds which were available for claimants. I specifically asked if the minister would investigate the criticism and report back to the House with respect to the broadening of the term "major structural defect." His response was: "Yes, I will get that information for the member."

We have called his ministry on a number of occasions to try to get this response and it has not been forthcoming, and here we are, some five months later. Is there any way we could impose on the government to see that the minister does provide that information for us?

Hon. Mr. Wells: Mr. Speaker, I think the proper way to handle that question is to direct the question to the minister from whom the member wishes the information. If he has not provided it, the member can ask him why and indicate that he wishes the answer. I do not think there is any other way of handling that particular matter. It is at the discretion of the minister how he answers the question.

ORDERS OF THE DAY

TRANSFERRAL OF ESTIMATES

Hon. Mr. Wells moved resolution 11.

Reading dispensed with. (See Votes and Proceedings).

Resolution concurred in.

INTERIM SUPPLY

Hon. F. S. Miller moved resolution 10:

That the Treasurer of Ontario be authorized to pay the salaries of the civil servants and other necessary payments pending the voting of supply for the period commencing November 1, 1981 and ending March 31, 1982, such payments to be charged to the proper appropriation following the voting of supply.

Hon. F. S. Miller: Mr. Speaker, I have no opening statement.

Mr. Smith: Mr. Speaker, I rise to discuss this motion by the Treasurer at a time which is most propitious in the financial affairs of the province of Ontario.

We have just had distributed to us Ontario Finances, dated September 30, 1981. Ontario Finances indicates the most significant change that I have seen in one quarter since coming to this House in 1975. This change is due partly to bad budgeting and partly to the poor performance of Ontario's economy. However, it is due mainly to a very major purchase entered into by the government of Ontario.

We are aware that this purchase involves a 25 per cent interest in the Suncor business, a company which although it does refining and marketing in Ontario is primarily involved in the extraction of oil from the tar sands of Alberta, and is engaged in a certain degree of exploration in frontier lands with respect to attempts to find oil and gas in this country.

11:30 a.m.

We have repeatedly asked for the vital information upon which this major expenditure was based. We are told such information is contained in a report by the respected brokerage house of McLeod Young Weir. Further, we are told an analysis of the business end of this deal is contained in a report from Price Waterhouse. Yet, although the government apparently utilized these reports in the decision to make this purchase, it has denied the opposition access to those same reports.

We in the opposition believe that if democracy is to have some meaning, then when the most major purchase is made by the govern-

ment of Ontario—at least in the time I have been here representing the good people of Hamilton West—when we are asked to say “yes” or “no” to supply, when the government wants money to spend and when it spends it primarily on matters such as Suncor—which according to Ontario Finances is the main reason for the tremendous increase in the deficit at this time—we think we are entitled to the same information the government had at its disposal when it made the decision. We can conceive of no reason whatever why, in the democratic process, the opposition should be denied that kind of information.

We have asked for a compendium. What did we receive? We received what must be classified as either a bad joke or a calculated insult to the opposition. We received an amalgam of tired old speeches and public statements written for the Minister of Energy (Mr. Welch), presumably by the people in his department. They undoubtedly form the basis for excellent commercials on television, but they in no way form a basis for the decision to buy Suncor.

We are given the front page of Suncor's annual report, a matter available to everybody and a matter available to the 12 or so companies which looked at Suncor as a possible purchase and decided against it. We are given little else. We are given nothing of real substance.

We are not the only ones concerned about this lack of information. Frankly, there are more Conservatives in this House concerned about it than there are Liberals. The fact is the decision to purchase Suncor was announced on a day when there was a Tory caucus meeting. As you know, Mr. Speaker, from personal bitter experience, the meeting came to an end not two hours before the Premier (Mr. Davis) announced this major decision in this assembly. Yet not a word of it was breathed to the Tory caucus itself.

Although one can respect the Premier's judgement that the Tory caucus could not be trusted to keep quiet for two hours—apart from a willingness to accept he might have been right in that respect—they have been just as much insulted as we have been.

Let me go beyond that. We are told on good authority the cabinet itself was kept totally in the dark with the exception perhaps of the Treasurer, who opposed the deal, the Minister of Industry and Tourism (Mr. Grossman)—we are not sure what he said about the deal—and the Minister of Energy (Mr. Welch), who presumably said: “Yes, sir. I am all for it. Whatever you say, Mr. Premier.”

Our understanding is that probably not even one other member of cabinet was told about the deal before it was announced in the Legislature. This secrecy is very hard to understand. I could understand they might have felt it would affect the shares of Suncor if they were traded, but the shares are not traded. How could this secrecy have affected the stock exchange? It is hard to understand that.

Furthermore, it is incomprehensible what justification may exist for this secrecy after the deal has been announced. Why should we be denied the basic information from Price Waterhouse and from McLeod Young Weir, and any other relevant information upon which the Premier of Ontario saw fit to make this purchase?

It is interesting to note the people who are opposed to this purchase. The most recent interesting addition to those who are opposed likes to style itself as Toronto's other voice. It is the *Toronto Sun*. There was an editorial on October 29 in the *Toronto Sun*, a newspaper which I must admit I do not normally read and certainly do not normally quote in this Legislature, but I quote it only out of the irony which is involved.

On the Suncor deal they say: “With a revitalized NDP”—which they refer to as “honest, open Socialists”—“and a fresh provincial Liberal Party, once the taint of Trudeau has gone, Ontario Tories will be thrown out by the people. The way things are going, the *Sun* will do what it can to help get rid of them.”

That comes from the party's official organ in Toronto. That certainly must give pause to the Tories. After all, it is doubtful that the *Sun* will be likely to support “honest, open Socialists” of any kind, so presumably it will support what it terms a “fresh provincial Liberal Party, once the taint of Trudeau has gone.”

The only thing that is going to be gone from this party is me. I do not know if I am the taint of Trudeau in the mind of Mr. Worthington—I have difficulty understanding anything in the mind of Mr. Worthington—but conceivably if I am the taint of Trudeau and I will be leaving, this party will then enjoy the dubious distinction of having the support of the *Toronto Sun*, which is not something I would look forward to, frankly, if I were staying.

Mr. Nixon: Can't you see Claire Hoy praising us day after day?

Mr. Smith: If I were staying, I have to confess I would not really look forward to that. I would have to question anything we stood for if we found ourselves with the support of that paper.

But the interesting point—and the point that is not lost on the Treasurer who happens to agree totally with the Toronto Sun on the Suncor deal, and who would have left by now except that he agrees even more with the pay cheque he receives every month—is that this is a deal that simply is not acceptable to thinking people in Ontario.

I do not know how the Treasurer can ask for supply in this House and expect us to grant supply when he will not even share with us the reports upon which that important decision was based.

It is my intention—in fact I will move it at the end of my speech—to move an amendment. The amendment will read—I will move the amendment now.

The Acting Speaker (Mr. Cousens): Mr. Smith moves, seconded by Mr. Nixon, that government motion 10 be amended to read, “commencing November 1, 1981, and ending December 31, 1981.”

Mr. Smith: May I speak to this motion?

The Acting Speaker: Order. I am disappointed at the conversation going on at the side which is disrupting the speaker. Carry on, Mr. Smith.

Mr. Smith: Thank you, Mr. Speaker. Speaking to the motion, the Treasurer will surely understand—

The Acting Speaker: I say to the honourable member, I really respect what you are saying and I would ask that other members would carry on a more quiet discussion or go outside the House if it is going to continue.

Mr. Sweeney: He does not even hear you, Mr. Speaker.

Mr. Shymko: I was speaking to the—

The Acting Speaker: We would ask you to respect the fact that another member has the floor and it is disruptive. I am hearing the sounds of your conversation.

11:40 a.m.

Mr. Shymko: Mr. Speaker, on a point of privilege: I have been approached by a member from the opposition who is constantly asking me questions and I am simply answering—

Interjections.

Mr. Shymko: I apologize, I will not—

The Acting Speaker: The apology is accepted. The member for Hamilton West has the floor.

Mr. Smith: Mr. Speaker, the Treasurer will understand the great difficulty the opposition is placed in, when we are asked to grant supply to the government and that government has refused to share with us the fundamental basis for the decision that has been made. I will be very glad to withdraw my amendment if the government will produce, during this morning's debate, the Price Waterhouse study and table it, the McLeod Young Weir study and table it, as well as any other relevant information that led the government to its decision.

Failing that, Mr. Speaker, it is my intention to speak at some considerable length on this particular amendment and, if it so happens that in speaking at considerable length I find myself running to the end of the time, then the government will not have supply after tomorrow. The Treasurer shrugs and implies it does not matter. Well, Mr. Speaker, I would like to quote from October 30, 1979, not long ago, when the Treasurer himself said, “Any delay in supply is a confidence question. I think that is one thing we have to recognize.”

Hon. F. S. Miller: You have to have the vote first.

Mr. Smith: The simple fact is that although special warrants can be issued when the House is not in session, the government will not have access to special warrants because the House is in session. If the government does not get supply today—and it is my avowed intention to make sure it does not get supply unless it produces the documents it has been withholding from us, which the people of Ontario have every right to know about—then I believe the government will have suffered a loss of confidence in this House, and I use the Treasurer's own words on the matter of what the implications of a delay in supply of any kind happen to be in a democratic situation.

You will know that by tradition, Mr. Speaker, the people seek redress of their grievances at the time the government seeks supply. I do not stand here lightly to try to block the government's supply. I have never done that sort of thing. I am prepared to give the government supply and withdraw my amendment, but I am not prepared to give the government supply when I honestly and deeply in my heart believe it is withholding vital information from the people of Ontario, information that need not be withheld and that there is no justification for withholding.

I honestly feel I would be derelict in my responsibilities as leader of Her Majesty's loyal

opposition to allow the government to receive supply in the absence of reasonable information of the kind we have requested to have tabled in this Legislature.

I want to explain why we are so concerned about this information so you will understand, Mr. Speaker, that this is not a frivolous matter with us. The Financial Post referred to the justification for Suncor as "flimsy." The heading was "Flimsy Reasons for Suncor Purchase." I think they are correct. I think the reasons are flimsy.

I want to make clear the view of this party on the Canadianization program of the federal government. This is something that seems to vex the leader of the third party, but then again so many simple matters vex the leader of the third party. But the position of the Liberal Party is that we support the Canadian government in its Canadianization program. Frankly, we have nothing against the idea of governments owning oil companies—nothing against it philosophically at all.

In my view, the government of Canada has a responsibility to own oil companies. I never again want to see the government of Canada dependent upon the information given them by oil companies to decide if we do or do not have reserves, a need to export, a need to import and so on. I support the Canadianization program fully. The Treasurer and I differ there. He is against the Canadianization program.

Hon. F. S. Miller: No, I am not.

Mr. Smith: The Treasurer says he is not. Later on in my speech I will get to what he said to Le Devoir about the Canadianization program. There he made it plain he believes the Canadianization program is actually behind the loss of confidence that has occurred in the Canadian dollar and is one of the reasons we are stuck with high interest rates which he thinks are damaging to the economy.

It is hard to know how he can be in favour of a program which is doing the amount of damage he thinks it is doing. He has said and I quote, "To spend the taxpayers' money to buy oil companies is a misallocation of resources and a waste of time." So he is against the program.

However, I am for the program. I believe Canadianization of oil companies is a good idea. If Alberta or Saskatchewan wanted to buy one of the oil companies doing business in their province, seeking to use the resources of that province, I would have no objection. In fact, I personally favoured the purchase of Denison Mines by Ontario Hydro.

If we were going to get all our uranium from somebody, and give them hundreds of millions of dollars up front, interest-free, with a guarantee of billions of dollars over the course of 30 years, I thought it better to buy the company. I thought it made good sense. It would have been a heck of a lot cheaper. I have no philosophical difficulty.

Mr. Wildman: It was not that way in the committee.

Mr. Smith: I agree with the member. There were certain members of my party who did not feel that way. The member for Algoma (Mr. Wildman) is correct. I am giving my view. I have no difficulty with that. It is not a philosophical problem for me, nor is the Canadianization a problem the way it is for the Treasurer. I strongly support Canadianization of our economy.

I think the Treasurer has undoubtedly seen the study which shows that even when our dollar goes down, we do not benefit in Ontario very much. Branch plants in manufacturing continue to import from their mother companies no matter what the price and we get no benefit, therefore, of the lower dollar.

That Statistics Canada study based on the year 1978 shows plainly the need for Canadianizing Ontario industry. However, it has never come to my attention that the oil sands were an Ontario industry. I find it very difficult to understand the benefit of Canadianizing the oil sands by using Ontario taxpayers' money which we do not even have, but have to borrow. Why should Ontario set that as a priority? If they want to Canadianize something, let them Canadianize manufacturing and they would have my full support. But they did not do that.

We are told the best aspect of this deal is the financial aspect. The Treasurer has said it does not create jobs. He has said it does not create security of supply for oil. They have admitted that. Not an extra barrel of oil is going to come our way because we are sitting there with 25 per cent of the shares of Suncor—not one barrel.

So they have said it is a good deal financially. The Treasurer has said, "I do not know if we needed it, but the price was good." That is essentially what the Treasurer told me that fateful day when I attacked him a little in the House. I felt badly on a personal basis. He looked very pale. I wish him no personal harm, as he knows, because I like him as a human being and a fellow politician. But he looked very pale the day I raised the issue of his basic opposition to this deal.

What he said, in essence, was: "I do not know if we needed the damn thing but the price was good. I could not resist the bargain." It reminded me of a guy who has a family at home. There is no food for the kids. The roof is leaking. He does not have any money and things are not going well. The domestic economy is kind of running down a bit and—

Mr. Kerrio: He is in deficit.

Mr. Smith: He owes a lot of money already, that is right. He goes to his bank and he convinces the bank manager he has to have some dough because the kids are not eating well, the roof is leaking, the furnace is not working very well.

11:50 a.m.

So he gets the money. As he is going downtown to spend it a guy meets him on a street corner and says, "Hey, buddy. How would you like to buy 25 per cent of a racehorse?" And the guy looks and says—

The Deputy Speaker: Is the member speaking to the amendment?

Mr. Smith: Oh yes, because it is the financial information on the deal that is relevant. All right?

The guy asks, "How would you like to buy 25 per cent of a racehorse?" And he goes and takes this money and buys 25 per cent of a racehorse.

Please understand: I have nothing philosophically against buying racehorses. I think there can be excellent racehorses.

Mr. McClellan: It might have been a left-wing racehorse.

Mr. Smith: Yes, that is the question. And it is even conceivable that, as racehorses are bought and sold nowadays, the price may have been a bargain. It may have been a lot less than he would have paid at E. P. Taylor's annual auction. I do not deny that. It is even conceivable that a few years from now the damn horse may even win a race or two. I do not say it is impossible, but it is irresponsible.

If anybody receiving welfare from the province of Ontario to patch the leaks in his roof and pay for heating and get food for his family went out and bought a racehorse he would be cut off the welfare rolls for irresponsibility.

Hon. Mr. Sterling: How can you compare a racehorse with an oil company?

Mr. Smith: It is a question of the price, Mr. Minister.

Hon. Mr. Sterling: It is a question of the investment.

Mr. Smith: What the Treasurer says, essentially, is that we may not need an oil company—it will not give us any oil, it will not give us any security of supplies, it will not fill any jobs in Ontario—but it is a bargain.

That way I can compare it with some other bargain he might have been sold on his way to the forum. A funny thing happened to him on the way to the Legislature: Some guy, Tom Kierans, calls him aside and says, "I think you ought to buy Suncor"—the same Tom Kierans who now says the whole program is ruining the country—that he is dead set against it.

This Tom Kierans must be an interesting guy. I do not know if he is a knave or a fool. On the one hand—

Mr. Rotenberg: He is a Liberal.

Mr. Smith: He is not. He happens to be a very significant Tory, a well-known Tory, as the member for Wilson Heights should know. He is the son of a Liberal—granted. But he did not see the light; he went the wrong way and became a Tory. I cannot help that. I happen to know the man personally, so I do not want to insult him. But under other circumstances, when a man is the brains behind the Suncor deal—

All right? This is how he is referred to. On the Ontario Energy Corporation he recommends the deal; in McLeod, Young, Weir Limited he recommends the deal; on the Ontario Economic Council he recommends the deal. Then he resigns from all these things—except McLeod, Young, Weir, of course—and turns around and says he thinks this whole program is dreadful, that it is hurting the economy and that if the people knew what it really cost they would hate it.

If I did not like the man personally I would say there were two things I do not like about him: his face. Really, the simple fact is that he cannot possibly have these varying views and still be a sensible adviser. The Treasurer has a Dr. Jekyll and Mr. Hyde there. As it happens, the Premier does not listen to the Treasurer; maybe he listens to Tom Kierans. But I just find this incomprehensible.

However, I am getting a little away from the main issue. The main issue is: What kind of bargain is this? And so—

Hon. F. S. Miller: I thought I would stand on a point of privilege.

Mr. Smith: There is no point of privilege here, Mr. Speaker.

The Deputy Speaker: That is my decision. A point of order?

Hon. F. S. Miller: A point of privilege: He has been talking about me buying racehorses, Mr. Speaker, alleging that I bought a quarter of a racehorse.

The Deputy Speaker: The Treasurer has the floor temporarily.

Hon. F. S. Miller: The only compliment the Liberal party ever gave me one day was to say that if they tried to sell me a dead racehorse I would walk out having bought a saddle for it.

Mr. Smith: It seems like an important point of view. Anyway, I am sure if I think about that for the rest of the day, Mr. Speaker, I may see the relevance of the point. Perhaps I am a little slow.

Hon. F. S. Miller: The Leader of the Opposition never did see the relevance of points. That has been his problem.

Mr. Smith: If the Treasurer tells me I have had problems in the political realm I cannot deny that; that is why I will not be leader any more. I understand that. But I do feel none the less that the Treasurer is being even a little more obscure than he usually is with his humour. However—

Hon. F. S. Miller: It came from the Liberal side. It came from your party.

Mr. Smith: Did it? Well, I am interested to hear that. It is quite relevant, I am sure.

The Acting Speaker (Mr. Cousens): On the amendment.

Mr. Smith: The question on the amendment is: What kind of bargain is it? And I do not know. It is very difficult for anybody to say what kind of bargain it is, because all the financial information on which this decision has been made has been denied us. That is what rankles; that is what goes against the grain in a democracy.

The Treasurer tells us, "Granted there is no oil in it, granted there are no jobs in it; but it is a bargain." Yet we cannot find out what kind of bargain it is. We have suspicions. We look at the latest earnings, for instance. The latest earnings as carried on for the current year would come to about \$68 million for the company this year. Now, 25 per cent—

Hon. F. S. Miller: Did your staff workers turn the lights on?

Mr. Smith: The fact that when I speak it brightens up the assembly is something I cannot help.

Mr. Rotenberg: That is the only light on the speech all day.

The Acting Speaker: Order.
Interjections.

Mr. Smith: I have been accused of arrogance, but the record will note that I did not say, "Let there be light." Let that be very clear.

The Acting Speaker: The member for Hamilton West is speaking to the amendment.

Mr. Nixon: He keeps being interrupted by all those people over there.

The Acting Speaker: Order.

Mr. Smith: Mr. Speaker, I am speaking to the very serious question of whether the matter of Suncor is or is not a bargain. And it is a very serious issue. If one looks at the earnings of Suncor for the current year they are going to come in at about \$68 million. I think the Treasurer will not dispute that. They are about \$50 million for three quarters of the year, so it is reasonable to figure that they are going to come in at about \$68 million. I am sure that is not far off.

If we figure our share of that would be one quarter, and if there were some way we could get that quarter out of the company—I am not saying it is wise to take a company and bleed the earnings out of it; I do not think that is necessarily good business, but even if there were some way we could just bleed the whole profit out—that would be \$17 million for Ontario. Of course, it would also mean about \$50 million going south of the border to the folks who own three quarters of the shares, but that is another aspect of the great bargain we are getting into.

Even if we could bleed the whole \$17 million and say it was Ontario's, at the rate of \$17 million a year, if that is all we get out of this, that would not even pay so much as a third of the annual interest costs alone on half the price. That is the \$325 million that is supposedly going to be financed by notes back to Suncor to somebody else.

The Treasurer will say, "Oh yes. This has been a bad year." He will say he is just smarter than the other 12 companies or so which turned down Suncor, and that he has seized the opportunity to buy a company when it is down, knowing from Santa's Village and other situations with which he has had great experience that this is when one can really make a killing. Buy when Santa is low and sell when Santa is high.

Hon. F. S. Miller: That is not very often.

Mr. Smith: I understand that. I appreciate that. Believe me, given the state of the used-car business, I can well understand why the Trea-

suror will not resign his portfolio and wishes to keep his paycheque. I understand all this, believe me.

Hon. F. S. Miller: I cannot sign it after tonight, apparently.

Mr. Smith: Yes. That is true. Unfortunately, neither will I be able to. Do not think that has not occurred to me.

To continue on the great bargain the Treasurer has told us about: He says he is pretty sure the earnings will go up. I am glad he has that faith. He might say that in the past the earnings were higher. He did mention that on one occasion, and he feels they are going to come back again. In the past the earnings were higher. Two years ago the Montréal Alouettes were in the Grey Cup, but who would buy them now? In the latest standings they are even below the Argos, if one can imagine such a thing.

One has to judge a company to some extent on its current performance. The Treasurer says, "No, don't judge the company on its current performance, judge on its assets," which in his view are undervalued. He said the other day the plant in Alberta is worth a heck of a lot more than what it seems.

12 noon

There are people who even like the deal with Suncor. There is an independent group called Corpus that put out something called Public Sector. They are friends of the government and they like the deal. They like the whole thing; they think it is a great deal. But even they say, "Financial terms are generous. In total, 50 per cent of the asset value of the company is being paid for a 25 per cent equity."

If it is the assets that are important and not the earnings, frankly, we are overpaying for the assets. It is conceivable there is information about the assets that I do not have. I freely concede that. It is probably contained in the reports from McLeod Young Weir and from Price Waterhouse. We are not permitted to see those reports so we have to continue speculating about what kind of bargain this is.

We look at the question of what it really cost. At 17 per cent compound interest it comes to some \$3 billion over 10 years. The Treasurer has made a legitimate point by saying one does not usually refer to a house that way. One does not call a \$100,000 house a \$1 million house even though that may be what it costs over the course of 25 or 30 years.

I understand his point, but he must surely recognize there is a certain difference. In the

first place, if instead of investing \$650 million in Suncor they had simply invested \$650 million in any of the commercial banks in a daily interest savings account they would receive interest compounded monthly. We have to look at Suncor as an alternative to the simple expedient of taking the money and putting it in the bank. Certainly by that comparison our figures are dead accurate.

Hon. F. S. Miller: That is true of all equities.

Mr. Smith: I do not deny it is true of all equity decisions; I simply tell the minister that year after year, if it is his privilege to continue as Treasurer, he is going to find himself having to pay interest on interest. We are in a continuing deficit position and we do not pay it back. That is one of our problems. Therefore, our figures are accurate.

In addition I would point out that unlike a home, if we make a decision to buy a home on a mortgage, we have to compare the cost of carrying the mortgage to the fact that we would have to buy shelter anyhow. We would have to rent a home or an apartment if we did not buy a home. So the opportunity cost surely has to be considered in what happens apart from the basic cost of shelter.

There is nothing compelling Ontario to buy an oil company, for heaven's sake. It is not as though we either have to buy it or rent it. It is not as though we were forced into a situation where we are obliged to be in the oil business. Far from it. I believe the comparison with a house is wrong.

Third, when we buy a home, the Minister of Municipal Affairs and Housing (Mr. Bennett) tells us we should not get in over our heads. He tells us we should not buy a home if we have to mortgage 100 per cent of the price. When would this government suggest that anybody buy a home in Ontario and take out a 100 per cent mortgage? Never. Yet that is what is being done. At least when one pays a mortgage on a home one is occasionally paying off capital. It is not obvious to me how capital is ever going to be paid off with our continuing deficit position in Ontario.

What kind of bargain is it? What does the government know about this that we do not know? The minister says it is like buying a house but he would not expect us to approve of his buying a house if we were not even allowed to search the title. This is the problem. He wants us to approve giving him money to spend when he shows how he spends it, which is on things like Suncor. With all the need in Ontario, he wants

us to give him money to spend after the government has proven itself so unworthy of the confidence of the people of Ontario by taking money and spending it in this way.

I want to look closer at the details. The Premier said at his press conference that the rate of return would be 15 per cent. It does not take a genius to figure out that even if he gets a rate of return of 15 per cent—and it is not obvious to me how that is going to happen, given the current earnings of this company—let us say they discover oil, some fabulous things happen, the racehorse wins, and the government makes the 15 per cent the Premier says it is going to make, it is paying 17 per cent on the money. I have a lot of difficulty figuring out a business deal in which one pays 17 per cent for ones money and makes 15 per cent and calls that a good deal. I really have a lot of difficulty in seeing that.

Mr. Kerrio: What about the prestige, and the jet?

Mr. Smith: Granted the Premier will now be able to fly somewhere in his jet. He can go out to Alberta and look at the tar sands, and he will even have a guaranteed source of fuel for the jet, possibly, coming from the tar sands. But apart from that, I really seriously ask what kind of a deal it is where he makes 15 per cent and pays 17 per cent? Unless he says he is going to make 32 per cent on the \$650 million—that will be the day, my friends.

If the government has that information, if I am wrong, I want to be corrected. I want to see the McLeod Young Weir study that indicates the government can make 32 per cent on the \$650 million. I want to look at that stuff. Is it unreasonable to say that if government members are going to come in here and tell us that a province that is already in debt is going to borrow \$650 million at high interest rates, and is going to make 32 per cent on that deal—surely I am not unreasonable to say that I have difficulty swallowing that, and that I insist on seeing some facts to back it up. There are simply no facts.

Mr. Nixon: When the Treasurer saw the facts, he would not back it.

Mr. Smith: There are no facts at all to suggest that \$650 million represents a decent investment at this time and that it will bring in 32 per cent. I do not say it is impossible. I do not say, as the other 12 firms that turned down the Suncor deal said, it is impossible. I say I have to be shown that.

Mr. Stokes: Look at the profit they made on Syncrude.

Mr. Smith: True enough. The member for Lake Nipigon, an esteemed friend of mine, a valued colleague, said they made a killing on Syncrude.

Mr. Stokes: Why did they sell it?

Mr. Smith: That is a good question. They could have held their interest and then had an interest in both the oil companies in this country that sell oil at world price, but instead they have an interest in only one. They say they are going to benefit from having a window on the industry. I want members to think about that.

Mr. McGuigan: That is a pain.

Mr. Smith: My colleague the member for Kent-Elgin points out that is a pain. I think he deserves credit for that pun.

But what is this window going to do? I can understand the federal government needing a window on the industry, but the federal government, after all, has to pass laws regulating the flow of oil. It has to pass laws regulating the exploration for oil. The federal government may have to apply export duties from time to time. It may have to negotiate on behalf of Canada with other nations, either consumers or producers of oil. The federal government darn well needs a window on the industry. I well understand that.

Further, I can understand that the Ontario government might benefit from a window on the manufacturing industry, where we are being taken to the cleaners day after day because of our branch plant situation. It might benefit from a window on auto parts. It might benefit from a window in forestry, where our trees are not being replanted. It might benefit from a window on uranium where, after all, the entire nuclear policy of this government is dependent upon the production of uranium from Ontario.

I can understand a window in any of those areas would give Ontario information that might help the government in knowing how to tax, knowing what to demand of the companies by way of performance, knowing the financial viability of any given sector, making some deals for Ontario products abroad. I can understand all that. I recognize that thoroughly. But I am mystified at what the Ontario government can possibly do with its window on the oil industry.

12:10 p.m.

Is the Ontario government going to use the insider's knowledge it gets by having Malcolm Rowan attend Suncor meetings? Is it going to use that to change the leases given to the thousands of companies exploring for oil in the

vicinity of Toronto? Is it going to use the window to regulate the flow of oil from the wellhead in Alberta? How will the inside knowledge that Malcolm Rowan will slip back to the Ontario government, through that window on the industry, affect so much as one iota of government policy in Ontario when it is not our industry?

I think that is a reasonable question. Maybe Price Waterhouse and McLeod Young Weir have thought of an angle by which Ontario would get inside knowledge from Suncor and use it to support some other industry. The Minister of Industry and Tourism (Mr. Grossman) has spoken, quite rightly, of the possibility that Ontario might get a share of the burgeoning energy market in terms of the valves we produce, the exploration equipment. He and I share that viewpoint. He knows that. But I do not see how having Malcolm Rowan sitting on the board of Suncor, along with one or two others from Ontario, is a window on the industry that will give us important information not otherwise available to us in—

Hon. Mr. Grossman: Malcolm is a great window.

Mr. Smith: That is right. I am sure Malcolm is a great window. One can see right through him. The question is how this window is going to help the industry that produces equipment here in Ontario. It is difficult to see how that is going to happen.

What about the dividend policy? I have trouble with that policy. The thought was that the \$325 million, that is not just coming out of our deficit, is somehow to be borrowed, possibly from the company itself or from other sources. The Premier and Mr. Rowan said we are going to be able to pay that back out of money we are going to make from the company. We are going to pay that back, not by increasing the deficit, but out of profits over the next 10 years.

Members should think about that for a moment. Let us grant—what is not truly grantable—that there will be profits of the order of \$400 million a year, recognizing that will be about six times the profits of this year. Let us say there will be such a miracle. Let us say it could happen. I do not say it is impossible. It is possible. McLeod Young Weir may have the proof of it. Until I see the documents, I do not know. Let us grant, for the sake of argument, that could happen.

How are we going to get the money out of the company to pay back the note? That is the question. It is one thing to say there will be

profits, but one has to get one's hands on the profits to pay back the note. The thought was that we will dividend it out. The problem is that if we dividend it out, we cannot dividend it out to one shareholder and not to another. If we are dividending it out to one shareholder, we are obligated to dividend it out to another shareholder.

Three quarters of the shares are held in the United States of America by the Sun Oil Company. Only one quarter will be held by the government of Ontario. So every time they try to dividend out a dollar so that we can use that money to pay back the notes or the \$325 million, we have to dividend out \$3 to the majority shareholders.

Under these circumstances, what this means is that for every \$100 million that Ontario takes and uses to pay off the notes, \$300 million will go home to the Sun Oil Company in Pennsylvania. The tragedy of that, Mr. Speaker—I see I am keeping you awake; I am sorry—

Hon. F. S. Miller: That is the third time you have said that. It is like a baseball game on a reel. A third variation on the same theme.

The Acting Speaker (Mr. Cousens): Order. On the amendment.

Mr. Smith: On the amendment Mr. Speaker. Have I so much as varied one iota, one jot, one tittle from the amendment? Not at all. I have been right on target. The point is that for every \$100 million that will come to Ontario to help it pay for the note, some \$300 million will go to Americans.

The tragedy about that is, up until now the Sun Oil Company has never taken out any money on the common shares. They have taken an occasional small dividend on the preferred shares, but they have never taken out substantial portions of money on the common shares; they have never dividended it. All the money has in fact been reinvested in Canada.

Now, not only will money flow south of the border in the form of the \$325 million paid for the shares; not only will money flow south of the border for the next \$325 million; not only will it flow south of the border for the interest on the second \$325 million, if it is the American company that holds the note, but money will flow out of Suncor itself by way of dividends in a company that previously did not have that kind of policy.

That really is a very serious matter because the drain out of the country is very bad. Consider that the drain out of the company will

set up a situation where the company will be drained of all its profits by way of dividends—three quarters of which will not even go to Ontario but to the United States—it will drain the company of profits for each of the next 10 years and will deeply affect its investment policy and its investment possibilities. There is a serious question to be asked as to whether this is a bargain or not, if the company finds itself in that situation.

The real question is, what could the money have done if it had not been spent on Suncor? They ask for supply. They say: "Let us spend money without your permission, don't worry. You can trust us." Then they go and spend it on a thing like Suncor. That is why I am very reluctant to give them supply. I am going to do whatever I can to prevent it.

Consider this situation in Ontario today. The Treasurer will remember the campaign—which before the Treasurer rushes to remind me that I lost, I acknowledge fully that I, in fact, lost. He will remember that. I may well be remembered—

Hon. Mr. Bernier: History will show that. You are so humble.

Mr. Smith: I tell my friend the Minister of Northern Affairs that when he and his pals are still running the joint up there, still running his fiefdom up in northern Ontario as the governor—

Hon. Mr. Bernier: You never came up to see it. I waited for you for three weeks.

Mr. Smith: I admit fully that I lost that election. I hope there is no doubt, everybody understands it. I lost the election, all right? I may even be remembered as the man who lost the election in 1981. I may well be remembered as that.

Hon. Mr. Grossman: And in 1977.

Mr. Smith: You can hardly blame me for 1977, be fair. But I may well be remembered as the man who lost the election.

Hon. F. S. Miller: I don't blame you this time either.

Mr. Smith: If you want 1977, you can throw it in.

Mr. Stokes: That is reality.

Mr. Smith: I am a psychiatrist, I accept reality.

Hon. Mr. Bernier: Do you know what they are saying in northern Ontario? Who is Stuart Smith? Is he real? Is he alive?

12:20 p.m.

Mr. Smith: The Minister of Northern Affairs,

a good friend, has said there are many people in northern Ontario who do not know who I am. He is dead right. There is no doubt about it.

Hon. F. S. Miller: That is why you still got 20 per cent of the vote.

Mr. Smith: There are even some up there who do know who I am and that is why they do not vote for us. We understand that very well.

I come to this philosophical turning point in my life, this point where I am moving out of the honour of being the leader of this great party, having lost the election. I understand this. But I really must say I would rather be remembered as the person who lost the 1981 election, and a person who may have too few friends in northern Ontario, than be remembered as the person who presided over the decline of the once great economy of Ontario. That is what the Treasurer and the Premier will be remembered for.

During the election I said—

Hon. Mr. Bernier: I heard that speech 10 or 15 years ago. We are still around.

Mr. Smith: The Minister of Northern Affairs is proud that, despite that decline, his party is still around in government. Politically, those guys are very good. I do not deny it. I take my hat off to them.

I also tell them, however, that they have done no genuine service to the people of Ontario by allowing the economy of this province to run down, by forcing 37,000 of our people to go west to find jobs in the last year alone, and by destroying the base of human services which was usually so strong in Ontario to a point where we now have universities on the brink of disaster, hospitals unable to give proper service, the poor getting poorer, the rich getting richer and the simple fact of trees that are not being replanted. I invite the Minister of Northern Affairs—

Hon. Mr. Bernier: For 37 days you said that and they didn't accept it. The people of Ontario didn't accept that line.

Mr. Smith: They did not accept it, I know that.

Hon. Mr. Bernier: They told you, they gave you a message that you were on the wrong track. They didn't accept it.

Mr. Smith: Politically you may be right.

The Acting Speaker: The member for Hamilton West is talking to an amendment he has proposed.

Mr. Smith: Indeed, I am pointing out the amendment—

Mr. O'Neil: The Minister of Northern Affairs is being very provocative.

Mr. Smith: The Minister of Northern Affairs points out that the people did not accept my message. That is darned obvious, isn't it? But the simple fact is my message was correct. They may want to call me Dr. Negative because I pointed out our growth rate was the lowest in Canada over the 1970s and is going to be the lowest again over the 1980s. They may want to call me Dr. Negative for bringing the bad news. They may prefer jingles that say, "Davis can do it" and the BILD program and all this "Preserve it, Conserve it" type of thing.

They may have preferred that. The people may have preferred it. I do not say "no," but the people were wrong. The simple fact is that after the election we see articles in the magazines. Let me quote from Quest magazine: "Alas, Poor Ontario: The Have-not Awakening of a Province on its Way into the Cold." That is from Quest magazine. Unfortunately, it was after the election. I wish those people had had the courage to print it before the election.

Then there is Today Magazine: "The Decline of Ontario: To Have and Have Not." There is Saturday Night magazine: "A Province That Was Once the Richest and is Now Declining."

The message I brought was not a popular one. It could even be argued I did not bring it in a popular way, but what we said was true. The people in Brantford today will tell them what we said was true. The people in Windsor will tell them what we said was true. The 14,000 jobs that were lost outside Metro Toronto when the government was busy creating the 100,000 jobs it speaks so proudly of—outside Metro 14,000 have actually been lost.

The Acting Speaker: On the amendment.

Mr. Smith: Yes, it is on the amendment, Mr. Speaker. It is on the amendment for the following reason. I believe the money should have been used to strengthen Ontario industry and provide jobs in Ontario rather than to buy some share of the oil sands in Alberta.

Look at the study done for the Ontario Economic Council by two Ontario economists. One reads the article in the Toronto Star, October 27, 1981. I may or may not have it with me at the moment—it is irrelevant and does not

matter—but the study says Ontario has slid into what they call economic middle age. I guess the Treasurer and I have slid into that as well, have we not?

Hon. F. S. Miller: I have slid a little faster.

Mr. Smith: He slid faster. We are both sliding, I am afraid, but Ontario unfortunately has slid into economic middle age. It says that unless we respond to the difficulties being faced, particularly in our manufacturing sector, the outlook is bleaker than anyone has imagined. The central theme of the report is the crisis Ontario faces in the erosion of our industrial base and our manufacturing sector.

My House leader has been kind enough to hand me a copy of the article which speaks of the report done by Peter Dungan and Douglas Crocker of the Ontario Economic Council. They go through and point out very clearly the terrible problems faced by Ontario, particularly in the manufacturing area. According to this, by 1990 we will lose some 44,000 manufacturing jobs. We will face major losses in industries like machinery, electrical products, primary metals and fabricating, textiles and paper. The motor vehicle industry will lose jobs—and that is already happening.

I found it interesting today that the Minister of Industry and Tourism or the Treasurer said the main reason that Chrysler was losing money was because of high interest rates.

Mr. Nixon: It was the Treasurer.

Mr. Smith: Was it the Treasurer who said that? Is the Treasurer not aware of the fact that when people buy Japanese cars they also have to pay interest? Is the Treasurer not aware of the fact that Japanese cars are, in fact, increasing at quite a rate.

Hon. F. S. Miller: I quoted Mr. Iacocca.

Mr. Smith: He says he quoted Mr. Iacocca. The fact remains that Mr. Iacocca was quoted by the Treasurer plainly with the Treasurer trying to make the point that it is the high interest rates that are the problem. I do not believe he was disagreeing with Mr. Iacocca. He is shaking his head, no. If he agrees with Mr. Iacocca then I ask, before he jumped in to agree, why has he not thought that Ontario people and Canadians and Americans have to pay interest on Japanese cars, and there is certainly no problem selling those now.

The problem has to do more with Ontario's declining industrial base and with poor management in many of the industries in this province and certainly has to do more with the

branch plant nature of our economy and the fact that our auto parts companies cannot rely on markets within the auto companies themselves because the big auto makers do not buy from Canadian auto companies in proportion to the number of cars they sell here. They are not even close to being in proportion. We have serious problems in manufacturing.

They would never get opposition from me if this government wanted to move in to help in the auto parts industry or if this government felt it could do something important to modernize that industry, such as in substituting certain new products and certain new computer-assisted devices to modernize the automobile of the future.

We made a suggestion, for instance, that we ought to take the lead in Ontario in producing cars that burn more than one kind of fuel. This would create jobs on the assembly line. It would be great for Ontario because we do not produce oil here. It would encourage people to switch to other fuels. The minister must know and the Minister of Industry and Tourism—who I frankly admit is aware of these things and is doing his job in this respect, he is meeting with people and finding out about this thing—must know what Ford said not long ago when it came to the question of fuel alcohol. They said they would be quite prepared to prepare a car for the burning of fuel alcohol or for propane, as the Treasurer might prefer, but they could not very well do it until they had a policy to guarantee the stuff would be available at a gas pump.

Similarly, the oil companies say, "We are not going to put this stuff at the gas pump if there are not going to be any cars on the road to burn it." Now there is a spot for government, because the oil companies and the car companies are each going to say, "After you, Alfonse."

The simple fact is that the government has an opportunity here to say: "All right, we will declare that fuel alcohol will be sold in so many pumps in Ontario by a certain date. It will have to comprise such and such a per cent of the gasoline sold, either in the form of mixture or whatever." They have to be in a situation where they would agree that the road tax perhaps would be forgone on fuel alcohol to make it competitive for a little while. They could do something like that and then the Ford Motor Company and other companies would start to produce engines that could burn it and that would create more jobs.

12:30 p.m.

Ontario people, instead of buying a Japanese car because of its fuel efficiency, would recognize the wisdom of buying a car that can burn more than one kind of fuel, recognizing that in Ontario we are moving towards another fuel. That is an intelligent use of government and money. There would be no objection from me if the government wanted to use \$650 million to start a fuel alcohol industry, none at all, because it would help in the automotive industry if it did that. New parts would have to be designed to help in the burning of fuel alcohol. This would all be grist for the mill, to bring people back to work in Ontario industries.

But the government is not going to create one job in Ontario by buying from the Sun Oil people in Pennsylvania some shares in a company whose main activity is extracting oil from tar sands in Alberta. It simply stands to reason. It does not create jobs in Ontario doing that. So if it has money and it recognizes the degree to which things are in decline, surely its responsibility is to spend the money where it can do the most good.

Anyone who can read knows we are in trouble, and this is not just Dr. Negative saying we are in trouble. The government got away with that. They won an election pinning me as the negative gloom and doomsayer. All right, that is fine. I was open to that because, frankly, the Conservatives had the polls in their favour. There was not an awful lot we could have done anyway except to attack their performance and tell people the truth and, of course, we were open to being the bearers of bad tidings, the negative guys. We could be painted that way. We knew it was a risk. We took the risk. I do not think we could have won if we had done anything else, frankly.

Okay, I am Dr. Negative. I will be remembered as Dr. Negative. That is fine, but the government cannot ignore the message. The message is true. Ontario is in serious decline. What I really enjoyed reading the other day was the utterly arrogant statement of Duncan Allan, the friend of the Minister of Industry and Tourism who has now been put in to rescue the Minister of Agriculture and Food (Mr. Henderson).

Hon. Mr. Grossman: He doesn't work for me.

Mr. Smith: I know he is no longer with the Minister of Industry and Tourism.

Mr. Nixon: The minister has got Bernard Ostry. Wait until he comes on the scene. Why don't you unveil him some morning?

Mr. Smith: The Minister of Industry and Tourism has decided to get a Liberal to help him. I can well understand that. But Duncan Allan, the famous Tory supporter, has now been sent in to try to rescue the Minister of Agriculture and Food, and that is a heck of a job.

Mr. Nixon: To make him float.

Mr. Smith: He would not have a whole lot of trouble floating, but unfortunately his policies are sinking, and the farmers are sinking while waiting for him to understand the difference between A and B.

Interjections.

Mr. Smith: Duncan Allan says he is tired of hearing about how Ontario used to have a great economy. He says, "That is nothing but irrelevant nostalgia."

Mr. Wildman: That is pretty mild for Duncan Allan.

Mr. Smith: That is what he is quoted as saying in a family newspaper, I tell my friend from Algoma. He may have said more.

Mr. Nixon: I'm sure they cleaned it up.

Mr. Smith: I would not be surprised.

When you have senior people in the government and senior Tories like Duncan Allan saying—

Hon. Mr. Grossman: He's not a Tory.

Mr. Smith: Oh, no. He was in Orangeville and those areas telling people just how terrific the Tories were and what a good thing it is that they are in and what a fine Board of Industrial Leadership and Development program he has been running.

Hon. Mr. Grossman: He is like Bernard Ostry, a nonpartisan dedicated civil servant.

Mr. Smith: Bernard Ostry may or may not be. Time will tell what happens with him, but we know what happened with Duncan Allan. The simple fact is that he is now saying it is irrelevant nostalgia to talk about when Ontario used to be a strong industrial producer. I honestly believe, to give the Minister of Industry and Tourism credit—

Mr. Nixon: Don't give him too much.

Mr. Smith: I will give him one bit of credit. I honestly believe he himself believes—

Hon. Mr. Grossman: Don't interrupt him now, for God's sake.

Mr. Smith: I honestly believe the Minister of Industry and Tourism himself believes it is still conceivable and possible for Ontario to become industrially strong again. I think he believes it is

possible. I happen to believe it is possible, too. He and I may be the only optimists in Ontario in that regard.

Hon. Mr. Grossman: The Premier believes that too.

Mr. Smith: No, he does not. I say to the minister—and it will not matter, because I will not be around—I honestly and sincerely believe the Premier has come to the conclusion that with the decline of the industrial northeast in North America, which is a continental phenomenon, the inevitable shift of power westward and so on cannot be resisted in any way and the most one can do is sort of patch up some of the damage as it happens.

I honestly and sincerely think he believes—and I really mean this; there is no political point, and I am just telling the minister this—that the degree of foreign ownership of our manufacturing industry is simply irreversible, that there is not anything real we can do about that and that the most we can do is to try to cajole and maybe occasionally chat with them and do a global product mandate or something like that in the hope that we might keep the thing from collapsing as rapidly as it might in Quebec, let us say, where if the textile industry or something like that goes they are in serious trouble. I honestly believe the minister has more confidence in Ontario industry than the Premier. I say that very sincerely—

Hon. Mr. Grossman: He has as much confidence as I do.

Mr. Smith: I doubt it. I seriously doubt it. I say that very honestly. I do not think he does.

Hon. Mr. Grossman: Yes, he does.

Mr. Smith: I think the minister believes that if somehow we could get our people together we could improve our productivity; I believe that. We could have a more directed approach to manufacturing; we could pick sectors where we have a real chance to compete and we could get out in the world and sell. The minister has a background in St. Andrew-St. Patrick which leads him to believe that kind of tough competitive attitude is possible. I do not believe the Premier believes it. I honestly do not.

Hon. Mr. Grossman: Yes, he does.

Mr. Smith: No, I do not believe it. I believe he believes that the banks believe that they are better to go with the big proven enterprises, the big American guys, the safe ones, the ones that have been around a while. The Premier does not have the minister's belief, I assure him. He will find that in the future.

Let me get back to the point. Richard Thomson, the chairman of the Toronto-Dominion Bank, has said that Ontario, outside of Toronto, is in real trouble. Dick Thomson is a man known to the ministry. He is also known to the Treasurer; the Treasurer knows him very well. I know him very well. Dick is not known as a partisan individual on any side. He tends to be fair-minded and open, but he is a close adviser of the government from time to time. He gives them advice. The government knows that.

Yet the chairman of the Toronto-Dominion Bank says that, outside of Toronto, Ontario is in real trouble. The unemployment figures indicate what has been happening in Ontario, particularly outside of Metro, where, as I say, 14,000 jobs were lost.

The Minister of Industry and Tourism (Mr. Grossman) and the Treasurer are very fond of talking about the creation of 110,000 new jobs in Ontario. Needless to say, that fell well behind the growth in the labour force and, therefore, unemployment is still very bad. Unemployment is so bad that for every five members on the unemployed rolls a month earlier, last month they were joined by a sixth person, which is pretty sad testimony to what is happening in Ontario.

The simple fact is that outside of Metro, far from creating jobs, there has been an actual loss of jobs despite growth in the work force. It is statistics of that kind that have a profound human impact, because we are losing our young people. Because we are spending money stupidly on things like Suncor instead of revitalizing our manufacturing industry, 37,655 people left Ontario for the west during 1980. Even my ill-fated commercial, the one that said somebody is leaving for the west every so many seconds and so on, was based only on 30,000 people leaving.

Hon. F. S. Miller: When are you going?

Mr. Smith: I am waiting for a good offer. However, the fact of the matter is that I was optimistic on behalf of Ontario. I only said 30,000 people were leaving. But now it is 37,000, and they are our best people. They are the people who have training, skills, a sense of adventure, youth. These are people—

Mr. Wrye: Liberals.

Mr. Smith: They will not be for long when they get there. They may be Liberals when they leave, but they will not be for long when they get there, I am afraid. However, that is neither here nor there. The simple fact is that we are losing

our best people. These folks are going out west and I am very concerned that we are losing highly trained individuals.

12:40 p.m.

We have the statistics documenting the current decline. We have predictions by the Ontario Economic Council that the decline will become more and more critical unless new initiatives are taken. People are leaving for the west, and Ontario's economy is collapsing, with the exception of the situation in Toronto. We have the Statistics Canada analysis of 1978 showing that, even if we have a low Canadian dollar, Ontario industries are not poised to take advantage of that. Because of their branch plant nature, Ontario industries are not taking advantage of the low dollar when it exists.

Why should the government choose to spend \$650 million in borrowed money, or \$3 billion over 10 years if one considers compound interest, out west rather than here in Ontario? The government may not realize this, but I asked the minister: "Why are you buying a company in Alberta? It is not going to do us any good here. There is no oil or jobs for us in that." His answer was, "That's where the action is."

Mr. Kerrio: There are 37,000 people to prove it; 37,000 people agree.

Interjections.

The Deputy Speaker: Mr. Smith, perhaps at this time, when we have a little break—

Mr. Smith: I am continuing. There is no break at all.

He said, "That's where the action is." Why would an Ontario government conclude that out in Alberta is where the action is? Why would it reach a conclusion like that? What message is being given to investors in Ontario when the government itself says that, when it goes out to borrow \$650 million and when it is looking for a good opportunity for investment, it has to go to Alberta because that is where the action is?

Mr. Speaker, even though you are still a relatively young man, you will remember that there was a time when the action was here in Ontario. Even the Treasurer will remember when he could sell cars. He will remember that there was a time when the action was in Ontario.

When the government of Ontario says the action is in Alberta and that is the only place it can find a real bargain in terms of purchasing stock, and when it says it does not pay to create a new industry in Ontario or to invest in Ontario industry because the action is in Alberta, it is giving a message of defeat with respect to our

economic future. Respected independent economists tell us our manufacturing base is eroding and we face economic ruin. Our government's response is to buy an Alberta oil company.

What could we have done in Ontario with that money instead? Why should we give supply to a government that spends its money in this way with such distorted priorities? The simple fact is that the priorities of this government are seriously distorted.

We could have used \$650 million to invest in fuel alcohol. We could have put up six 1,000 ton-a-day plants, which could have been constructed with the capacity to produce 430 million gallons of fuel alcohol a year. By 1990, these plants could have replaced 15 per cent of Ontario's gasoline requirements. In addition, such a project would have created nearly 7,000 direct and continuous jobs as well as more than 1,000 jobs during construction of the plant.

Such a venture would have secured these fuel supplies for the province, would have kept the capital in Ontario and would have created badly needed jobs. It would have helped revitalize our provincial economy.

The recently published study entitled *Evaluation of the Potential of Peat in Ontario* further confirms that the money should have been spent here in Ontario. If it were to have been spent on energy-related use, the energy potential of peat would have been one place to start, because peat in energy potential has 10 times this country's estimated reserves of natural gas.

Look at what this study says, for Heaven's sake. It says: "Conventional peat mining methods, such as the milled and/or sod peat systems used in Finland, appear well suited to Ontario conditions, at least for the portion of the province south of the southern limit of permafrost. Irish mining systems featuring narrow-gauge rail transport are expected to present difficulties in Ontario because of the more severe winter conditions. Wet mining systems are not yet commercially proven, but the ones in Finland are well suited."

It goes on to say: "Products can be obtained from peat by a combination of the following operations: mining which delivers the process, either wet bog material or solar-dried solids, pretreatment consisting of mechanical pressing, wet carbonization and thermal drying either singly or in combination."

There is tremendous potential in Ontario's

resources. Why should we spend \$650 million on Alberta's resources, which we are then going to import to use in our automobiles?

Ms. Coppins: They have to have something to fuel the jet.

Mr. Smith: Even the jet eventually will be able to go on fuel made from this. It may not be far away. But here we have peat, an Ontario resource, and yet we are not doing much about it.

What about other matters? Take, for instance, the question of reforestation. The simple fact is that we are going to find ourselves in northern Ontario with ghost town after ghost town unless we are able to get the trees replanted.

Hon. Mr. Bernier: You don't even know where the north is.

Mr. Smith: The simple fact is that, although the Minister of Northern Affairs (Mr. Bernier) is happy at the moment to enjoy his fiefdom and his governorship there, let the record—

Hon. Mr. Bernier: Come up and see me some time.

Mr. Riddell: I am almost tempted to sell my farm and go up there and run against you.

Mr. Nixon: It would be the end of him.

The Deputy Speaker: Order, please.

Mr. Smith: Let the record show that I stated here on October 30, 1981, that there will be towns of the north closed down totally as a consequence of the lack of reforestation going on right now in northern Ontario, as a consequence of some of the clear-cutting methods being undertaken by some of the companies and as a consequence of the poor forest management of this government. Let the record show that.

Mr. Speaker, if you had money to invest and you had a choice between investing the money in something that would protect the resource base of Ontario or, instead of that, you had another option, which was to be shareholder in an Alberta resource, surely common sense and reasonable prudence would dictate that the money should have been used for the protection of this vital Ontario resource.

12:50 p.m.

We are going to live to see towns in the north shut down long after the Minister of Northern Affairs has lived off the fat of the land in Minaki. There will be towns shut down because the government is not protecting the forest resource.

My colleague the member for Rainy River (Mr. T. P. Reid), the esteemed Liberal-Labour

member, has been speaking in this House for these many years. He has stated time and time again that if we do not protect the forest resource, we are letting down the people of northern Ontario and there will be ghost towns there. I am sorry to tell them this; it sounds like more Dr. Negative, but it is a fact.

Apart from our forest resource, mines are not being opened up in Ontario. The Treasurer, when he was Minister of Natural Resources was, in my view, the best Minister of Natural Resources we had. I am sorry Parkinson's Law has operated in his case and he has been promoted to the level of his incompetence.

Mr. MacDonald: That's the Peter Principle.

Mr. Smith: Unfortunately, he was a much better Minister of Natural Resources, where he had a natural understanding of the situation, than he has been as Treasurer. The Treasurer understood this when he was the Minister of Natural Resources. He knows that in Quebec they have an aerial survey and are able to be of tremendous assistance to individual prospectors, to the kind of people who go out and find the mines.

The great mines found in Ontario were not found by the big companies; the big companies move in and buy them. They were found by the hard work and dedication of individual prospectors out there with pick and shovel. That is the Ontario spirit.

Those prospectors today are not getting the support of this government. For one thing, junior mining stocks are so closely regulated on the Ontario exchange that it is virtually impossible to get a good gamble—

Hon. Mr. Bernier: Oh ho, is that so?

Mr. Breithaupt: Except for NDP research. They do all right.

Mr. Smith: That is right. The members of NDP research do not do badly.

Apart from that, we do not have the kind of aerial surveys available in our mining industry that they have in Quebec to help the individual prospector. We could spend the money in the production of our own resource industry.

Let us talk about the share value of the Suncor deal. We are told that somehow those assets were undervalued. I said earlier that there are some who feel we have paid twice the price of the assets in proportion to the amount of shares we have received.

I wonder what the McLeod, Young, Weir study said about asset value. I think of the comments made in the press about Petrofina

and the purchase by Petro-Canada. I tend to feel Petro-Canada may have paid a little too much for Petrofina. They may have paid a lot too much for Petrofina. Compared to that outlandish price, Suncor may have been a bargain. However, I am prepared to look at the facts. I am prepared to look at what valuation was placed on these shares by McLeod, Young, Weir in making this recommendation.

Members will remember that my colleague the member for Grey-Bruce (Mr. Sargent) was ejected from this House—as used to be his habit at one time, I understand—because he asked some questions, with unfortunate wording perhaps. The real import of his question, if we can leave aside the question of the wording, I do not think should be lost.

What my colleague for Grey-Bruce was saying was that McLeod, Young, Weir, which apparently produced a very important report upon which the Premier based this decision, could have asked for a finder's fee in bringing together the Ontario Energy Corporation and the Suncor people. They could have asked for a commission on the deal. In fact, we are told that one per cent is considered a standard commission, a standard custom, in this business. I am not in that business, but I am told on pretty good authority that one per cent could have been asked as a commission and normally would have been asked as a commission.

How is it possible that McLeod, Young, Weir has not received a commission on this deal? I ask members to contemplate why McLeod, Young, Weir should suddenly have become such a charitable institution as to give up \$6.5 million presumably for no explicable reason. I ask members to consider that it is not an unreasonable question to ask what consideration McLeod, Young, Weir received if they did not receive their commission?

There is no innuendo in that. I am not suggesting that there is anybody who is dishonest. But I am saying that the people of Ontario have a right to know what consideration has been received by that firm, if not their normal commission. Why has it gone that way via some other form of consideration? Maybe if we saw the report that McLeod, Young, Weir prepared, we would have a better idea about that.

But one cannot help if the opposition asks a serious and sensible question, if the opposition says: "Look, this is a very large deal, arranged by a certain brokerage house apparently. Why are they not getting their normal fee?" That is a perfectly sensible question. There is no effort to

impugn anybody's motive here. If members of the government party were on this side of the House, they would ask that question. It is not an unreasonable one. If they did not receive the normal consideration, then surely we are entitled to ask what consideration they did receive.

I do not understand the role of Mr. Kierans in this whole deal, because Mr. Kierans is a good Conservative. He has certainly been a close adviser of the government as head of the Ontario Economic Council. I know he is a friend of the Premier. I know he has given advice from time to time to the government. I know he was on the Ontario Energy Board and, in fact, resigned so as to avoid any implication of conflict of interest. I know that he is president of McLeod, Young, Weir, which prepared this report that they insist upon keeping secret. As far as I can see, the Premier has not tabled the report from McLeod, Young, Weir or the report from Price, Waterhouse.

Do members of the government party understand that question 150 on the Order Paper has also asked for information on that matter and the government has not answered that, even though that question was asked a long time ago? What does the government have to hide? Why should the government expect that we would give them the right to spend money and to have supply when they have not answered our fundamental basic questions? If the Suncor deal is such a bargain, then why are they afraid to table the financial information that makes them think it is such a great bargain?

Why should the government keep this information secret from us, from the people's representatives? We lost the election, but we did get a million votes. We represent 34 constituencies. We are the official opposition in this House. We and the other opposition party have every right to the same information the Premier had, which he did not even share with the majority of cabinet and which he kept secret except from only four members of cabinet—

Mr. Breithaupt: Much less the caucus.

Mr. Smith: —and which he did not share with the caucus.

Mr. Breithaupt: Or the party.

1 p.m.

Mr. Smith: We have the right to have that information, and I tell the government, if we do not get that information, I intend to continue to stand and oppose it getting supply.

By the views of the Treasurer of Ontario as expressed in this House in 1979—

The Deputy Speaker (Mr. Cureatz): Time.

Mr. Smith: —any delay of supply is a matter of confidence. We tell the people opposite us, "Government of Ontario, you have just spent \$650 million that you do not have on a company that is located primarily in Alberta. Either you justify that by tabling the reports upon which you based that decision or face the people and ask their views on the matter of whether you should spend \$650 million on Suncor. Face the people."

The government does not have the confidence of the people in this House. It has lost the confidence of the people in this House. I want to make it clear that it does not have the confidence of the people in this House.

The Deputy Speaker: Order, please.

Mr. Smith: I am sorry. What is out of order, sir?

The Deputy Speaker: Time has expired.

On motion by Mr. Smith, the debate was adjourned.

ROYAL ASSENT

The Deputy Speaker: Just prior to the adjournment of the House, I beg to inform the House that in the name of Her Majesty the Queen, the Honourable the Lieutenant Governor has been pleased to assent to the following bills in his chambers.

Clerk of the House: The following are the titles of the bills to which His Honour has assented:

Bill 18, An Act to amend the Dog Licensing and Livestock and Poultry Protection Act;

Bill 19, An Act respecting the Marketing of Sheep and Wool;

Bill 22, An Act to amend the Racing Commission Act;

Bill 47, An Act to establish a Corporation to promote Innovation Development for Employment Advancement;

Bill 71, An Act to amend the Small Business Development Corporations Act;

Bill 74, An Act to amend the Livestock Branding Act;

Bill 79, An Act to amend the Corporations Tax Act;

Bill 80, An Act to amend the Retail Sales Tax Act;

Bill 84, An Act to amend the Ministry of Community and Social Services Act;

Bill 100, An Act to amend the Livestock Community Sales Act;

Bill 141, An Act to amend the Power Corporation Act.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, before we adjourn, I wish to table the answers to questions 145 and 150. (See appendix, page 3039.)

The House adjourned at 1:04 p.m.

APPENDIX

ANSWERS TO QUESTIONS ON NOTICE PAPER

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

140. Ms. Bryden: Will the government table any briefs and studies presented to the federal parliamentary task force on federal-provincial fiscal arrangements? Which minister and public servants attended the private sessions with the task force? (Tabled June 25, 1981.)

Hon. F. S. Miller: The government did not present any briefs or studies to the federal parliamentary task force on federal-provincial fiscal arrangements. The following ministers joined me in attending a private session with the task force: Mrs. Birch, and Messrs. Drea and Timbrell.

The following public servants also attended: from the Ministry of Treasury and Economics, Messrs. B. Jones and H. M. Ploeger and Mrs. L. Munro; from the Ministry of Colleges and Universities, Messrs. B. A. Wilson and R. L. Cummins; from the Ministry of Health, Messrs. T. Campbell, R. A. LeNeveu and A. E. LeBlanc; from the Ministry of Intergovernmental Affairs, D. W. Stevenson; and from the Provincial Secretariat for Social Development, Ms. E. M. McLellan.

GRANT TO RACECAR CREW

142. Mr. Smith: Would the Minister of Industry and Tourism indicate whether the government of Ontario has been repaid the \$15,000 it had provided to Descon Industries of Concord, Ontario, for the purposes of paying the air fares for a 12-member racing car crew, including Mr. Maurice Carter, so that they could compete in the Le Mans endurance road race in June 1980? If so, could the minister indicate when and in what form the repayment was made? (Tabled June 30, 1981.)

Hon. Mr. Grossman: The ministry is in the

midst of negotiations with Descon Industries concerning reimbursement.

AGO-ROM LAYOFFS

144. Mr. Di Santo: Will the Minister of Culture and Recreation indicate the number of employees laid off temporarily or permanently by AGO and ROM in 1980 and 1981? Will he also indicate how many positions have been replaced by volunteers and, finally, can he indicate whether it is the government opinion to reinstate the employees laid off, assuring that such important institutions will count on professionally qualified personnel, rather than on the occasional services offered by volunteers? (Tabled October 14, 1981.)

Hon. Mr. Baetz: Art Gallery of Ontario: 1980, eight full-time employees were permanently laid off; 1981, eight full-time employees have been permanently laid off, one part-time employee has been permanently laid off, and one full-time employee was permanently laid off but has since been recalled.

No volunteers are performing duties of laid-off staff at the Art Gallery of Ontario with the exception of the Grange Gallery where the work of the equivalent of two and a half employees is being carried out by volunteers.

The Art Gallery of Ontario is an arm's-length agency of the Ministry of Culture and Recreation. Responsibility for all personnel decisions rests with the board of trustees and/or director of the gallery as defined in the Art Gallery of Ontario Act, 1975.

Royal Ontario Museum: 1980, 26 part-time employees were temporarily laid off, and four part-time employees were recalled; 1981, 33 part-time employees have been temporarily laid off, three full-time employees have been temporarily laid off, and 14 part-time employees have been recalled.

All the above layoffs are due to the temporary closing of the museum where a major renovation and expansion program is currently under

way. Recall of laid-off staff at the museum will begin prior to the reopening of the museum planned for July 1982.

No volunteers are performing duties of laid-off staff at the Royal Ontario Museum.

The Royal Ontario Museum is an arm's-length agency of the Ministry of Culture and Recreation. Responsibility for all personnel decisions rests with the board of trustees and/or director of the museum as defined in the Royal Ontario Museum Act, 1975.

ONTARIO ENERGY INVESTMENT

145. Mr. Foulds: As well as the glossy material handed out at the Premier's press conference at 4 p.m. on Thursday, October 13, would the ministry table all documentation leading up to the decision to purchase 25 per cent of the shares of Suncor Inc. Was there, for example, a study similar to Project Wellesley (done by Ontario Hydro when considering the takeover of uranium mines)? If not, why not? If so, please table. Would the ministry table the agreement in principle reached and presumably signed on Tuesday, October 13 between Ontario Energy Resources Limited and Sun Company Inc. of Radnor, Pennsylvania. Would the ministry table the final agreement immediately after it is completed and signed in November of this year. (Tabled October 16, 1981.)

See sessional paper 252.

150. Mr. Peterson: How much did the firm of McLeod, Young and Weir receive by way of fees, commissions or any other moneys payable by the Ontario government, Ministry of Energy, Ontario Energy Corporation in connection with the Ontario Energy Corporation's purchase of Suncor shares? Were there any other individuals or groups who received any fees? If so, who are they and how much was received? (Tabled October 16, 1981.)

Hon. Mr. Welch: The fees paid to date by the Ontario Energy Corporation in connection with its purchase of Suncor shares are as follows:

Financial advisers—1. McLeod, Young, Weir, Tom Kierans, et al: May 1 to September 12, 1981, \$228,107.75; 2. Price Waterhouse, Robert Brown et al, May 1 to September 30, 1981, \$172,938.

Legal counsel—Goodman and Goodman, Lorie Waisberg, et al: May 1 to September 30, 1981, \$26,225.61.

FARM INCENTIVE GRANTS

146. Mr. Wildman: Would the minister of

Agriculture and Food provide the following information: 1. the total amount of money spent in Algoma district by the ministry under the Ontario farm productivity incentive program in each fiscal year since its inception in April 1979; 2. a list of the Algoma recipients of grants for each of (a) erosion control, (b) manure storage, (c) alternative livestock watering facilities, (d) educational and demonstration programs since the program began in April 1979; 3. a specific list of the Algoma recipients of grants as well as the dollar amount of each grant for each of (a) dairy barns, (b) beef barns, (c) grain and feed storages, (d) milk houses, (e) silos, (f) tile drainage since the Ontario farm productivity incentive program made grants for 40 per cent of eligible cost (up to the maximum of \$3,000) for production facilities. (Tabled October 16, 1981.)

Hon. Mr. Henderson: 1. April 1, 1979 - March 31, 1980: \$18,055; April 1, 1980 - March 31, 1981: \$16,501; April 1, 1981 October 19, 1981: \$13,165.

2(a) Erosion control: nil.

(b) Manure storages: Leywell Farms, RR 1, Bruce Mines; Henry Oikari, RR 2, Desbarats; Ronald Bonnett, RR 2, Bruce Mines.

(c) Alternative livestock watering facilities: Will Samis, Box 193, Iron Bridge; D. W. Croskey, Box 59, Desbarats.

(d) Educational and demonstration programs: nil.

3(a) and (b) Dairy barns and beef barns: Thomas Abelson, RR 4, Echo Bay, \$396; Will Foster, RR 2 Bruce Mines, \$1,699; Chris Gordon, RR 2, Echo Bay, \$3,000; Ryan Connelly, RR 1, Bruce Mines, \$1,500; Ernie Inch, RR 2, Bruce Mines, \$465; Albert Taylor, RR 2, Bruce Mines, \$1,495; Gerard Vangoudoever, RR 1, Thessalon, \$1,953; Gerald Christenson, Box 123, Bruce Mines, \$1,612; Colin Gowlett, RR 1, Echo Bay, \$3,000; Gary Shewfelt, RR 4, Echo Bay, \$2,688.

(c) Grain and feed storages: Four Winds Rabbitry, Box 418, Iron Bridge, \$1,773; James Brechin, RR 1, Bruce Mines, \$2,088; Tom Fremlin, 108 Bishop Court, Sault Ste. Marie, \$3,000.

(d) Milk houses: Ryan Connelly, RR 1, Bruce Mines, \$1,500.

(e) Silos: Julius Harfert, RR 1, Desbarats, \$1,431.

(f) Tile drainage: Ronald Trivers, RR 2, Iron Bridge, \$1,379; Glen Tulloch, RR 2, Iron Bridge, \$1,197; Bruce Walker, 481 Town Line, Sault Ste. Marie, \$3,000; Brenda and David Beith, RR 1, Desbarats, \$3,000.

AGRICULTURE GRANTS

147. Mr. Wildman: Would the Minister of Agriculture and Food provide the following information regarding the agriculture technology transfer subprogram of the Ontario northern Ontario rural development subsidiary agreement: By what date were applications required to have been submitted to the county agricultural representative's office? May an applicant have begun construction and operation of new technology prior to obtaining approval of his application and still remain eligible for a grant under the program? List the projects which have been approved under this subprogram and the amount and recipients of each of the grants provided them in Algoma district: The deadline date for applications for assistance under this program. (Tabled October 16, 1981.)

Hon. Mr. Henderson: To be eligible for financial assistance, applications for projects must be received and approved prior to March 31, 1984. Costs incurred following the date of approval by the management committee are eligible under the agricultural technology transfer subprogram. Costs incurred following the date of application and prior to approval by the management committee may be approved.

One project has been approved to date by the management committee, namely a high-moisture barley silo for Vic Fremlin, Echo Bay, for a grant of \$4,500.

MNR FACILITIES

148. Mr. Wildman: Will the Minister of Natural Resources explain the relationship between the construction and expansion of ministry facilities in Wawa and the closure of the White River MNR district in November 1979? What White River operations have been centralized in the new Wawa facilities which previously were carried out at the near empty buildings in White River? What is the total cost of the expansion in Wawa? (Tabled October 26, 1981.)

Hon. Mr. Pope: The expansion and reconstruction of ministry facilities in Wawa has been needed for years. In 1973, when Wawa was set up as a district, the need for new facilities was recognized, and a new office and warehouse complex was placed on our priority list for construction. The amalgamation of Wawa and White River districts emphasized the need and some changes in priorities allowed an earlier start on improving our facilities at Wawa.

Since the amalgamation almost all office

operations have been carried out in Wawa. As well, warehousing, vehicle maintenance and building maintenance, formerly carried out in White River, is now done in Wawa. Most of the work of the ministry, however, is done in the field, in parks, in timber areas, on lakes and rivers, and at forest fires. That work is done where it is required, in whatever part of the district.

Costs of the Wawa expansion to date have been approximately: 1975, \$24,000; 1976, \$64,000; 1977, \$15,000; 1978, nil; 1979, \$68,000; 1980, \$299,000; 1981, \$88,000.

The accommodation plan proposes an expenditure of approximately \$50,000 in 1982, and \$200,000 in 1983, at which time the project will be basically complete.

PURCHASE OF JET

149. Mr. Peterson: The recent Ontario purchase of the Challenger jet was made from an American company which owned an option to purchase that jet. Who was that American company? How much did they pay for the option? How much did they sell the option for to the government of Ontario? How much profit did they make on the sale of the option? (Tabled October 16, 1981.)

Hon. Mr. Pope: The Ontario government purchased the Challenger jet directly from Canadair Limited, manufacturers of the aircraft, not from an American company as indicated in the question. The option was not sold to the government of Ontario, and we have no knowledge of how Canadair reacquired the jet from one of its previous customers. The government of Ontario purchased the Challenger jet at June 1980 prices, with no escalation clause and no interest charges.

INTERIM ANSWER

151, 153 to 167 and 170 to 172. Mr. McClellan:

Hon. Mr. Timbrell: Due to the large number of questions addressed to my ministry, additional time is required to research and prepare the response. I anticipate my answers will be tabled on or about December 15, 1981.

RESPONSE TO PETITION

GRANTS TO PULP AND PAPER COMPANIES

Re petition from Canadian Paperworkers Union, Local 685, Peterborough:

We, the undersigned, members of the Canadian Paperworkers Union, hereby petition the

Legislative Assembly and the government of Ontario to take whatever measures are necessary to assure that no employees will be displaced, except through normal attrition, by the pulp and paper industries in Ontario through their modernization programs. We respectfully suggest that the \$120 million of public funds which the Ontario government has given to the paper companies for their modernization programs should require this minimum social obligation on the part of both the industry and the government.

Hon. Mr. Elgie: With respect to CPU's concerns about layoffs by the pulp and paper companies which have received grants from the Ontario government, I would like to make the following comments:

Of the nine companies receiving modernization grants, three have indicated that layoffs will occur;

All others have assured government that redundancies will be handled through attrition and no layoffs will occur;

Government has acquired commitments from companies receiving grants in the form of a manpower plan where layoffs are expected;

The three companies expected to have layoffs (Abitibi-Price in Iroquois Falls, Ontario Paper

in Thorold and Boise Cascade in Kenora) have all developed manpower plans that deal with methods of alleviating the job redundancies, including early retirement, training programs, job relocation, et cetera.

All three companies have established joint manpower adjustment committees with their unions which are and will assist in carrying out the manpower plans;

Boise Cascade, which has forecast the largest reduction (about 390 jobs in Kenora by 1985) has developed a manpower plan that, in addition to the normal "in-house" activities, includes provision for company funding of a municipal committee to create jobs in the Kenora area, studies of other forest products manufacturing opportunities in the Kenora area and an apprenticeship program that will train up to 20 Boise Cascade employees for employment outside the company.

During the life of the agreement, each of the three companies anticipating layoffs must provide the Ministry of Labour with notice of any impending layoffs that are caused by the modernization program thus allowing government to monitor the manpower situation.

CONTENTS

Friday, October 30, 1981

Statements by the ministry

Ashe, Hon. G. L., Minister of Revenue:

Arcturus and Medlon SBDCs.	3007
Tax grants for seniors.	3009

Oral questions

Davis, Hon. W. G., Premier:

Campaign expenses, Mr. Cassidy, Mr. Conway.	3013
--	------

Henderson, Hon. L. C., Minister of Agriculture and Food:

Food industry practices, Mr. McGuigan, Ms. Copps.	3016
Milk prices, Mr. Swart.	3019
Assistance to farmers, Mr. Riddell, Mr. Wildman.	3020

Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics:

Ontario energy investment, Mr. Smith, Mr. Cassidy.	3010
Unemployment, Mr. Cooke.	3021

Norton, Hon. K. C., Minister of the Environment:

Dioxin in fish, Mr. Smith, Mr. McClellan.	3012
--	------

Timbrell, Hon. D. R., Minister of Health:

Queen Street Mental Health Centre, Mr. McClellan, Mr. Ruprecht. 3017

Walker, Hon. G. W., Minister of Consumer and Commercial Relations and Provincial
Secretary for Justice:

Milk prices, Mr. Cassidy, Mr. Swart. 3015

Welch, Hon. R. S., Minister of Energy:

Use of peat, Mr. J. A. Reed, Mr. Stokes. 3018

Motion

House sittings, Mr. Wells, agreed to. 3021

First readings

Town of Bracebridge Act, Bill Pr32, Mr. Eves, agreed to. 3021

Town of Gravenhurst Act, Bill Pr33, Mr. Eves, agreed to. 3021

Town of Huntsville Act, Bill Pr34, Mr. Eves, agreed to. 3021

Government motions

Transferral of estimates, Mr. Wells, concurred in. 3022

Interim supply, Mr. F. S. Miller, adjourned. 3022

Other business

Whitchurch-Stouffville water quality, Mr. Kerrio. 3010

Response to written questions, Mr. Foulds. 3021

HUDAC warranties, Mr. Van Horne. 3022

Royal assent, the Honourable the Lieutenant Governor. 3038

Answers to questions on Notice Paper, Mr. Wells, tabled. 3039

Adjournment. 3039

Appendix

Answers to questions on Notice Paper:

Baetz, Hon. R. C., Minister of Culture and Recreation:

AGO-ROM layoffs, question 144, Mr. Di Santo. 3039

Grossman, Hon. L. S., Minister of Industry and Tourism:

Grant to racecar crew, question 142, Mr. Smith. 3039

Henderson, Hon. L. C., Minister of Agriculture and Food:

Farm incentive grants, question 146, Mr. Wildman. 3040

Agriculture grants, question 147, Mr. Wildman. 3041

Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics:

Federal-provincial fiscal arrangements, question 140, Ms. Bryden. 3039

Pope, Hon. A. W., Minister of Natural Resources:

MNR facilities, question 148, Mr. Wildman. 3041

Purchase of jet, question 149, Mr. Peterson. 3041

Welch, Hon. R. S., Minister of Energy:

Ontario energy investment, question 145, Mr. Foulds. 3040

Ontario energy investment, question 150, Mr. Peterson. 3040

Interim answer, questions 151, 153 to 167, and 170 to 172. 3041

Response to petition

Elgie, Hon. R. G., Minister of Labour:

Grants to pulp and paper companies. 3041

SPEAKERS IN THIS ISSUE

Ashe, Hon. G. L.; Minister of Revenue (Durham West PC)
 Bernier, Hon. L.; Minister of Northern Affairs (Kenora PC)
 Bradley, J. J. (St. Catharines L)
 Breithaupt, J. R. (Kitchener L)
 Cassidy, M. (Ottawa Centre NDP)
 Conway, S. G. (Renfrew North L)
 Cooke, D. S. (Windsor-Riverside NDP)
 Copps, S. M. (Hamilton Centre L)
 Cousens, D.; Acting Speaker (York Centre PC)
 Cureatz, S. L.; Deputy Speaker (Durham East PC)
 Davis, Hon. W. G.; Premier (Brampton PC)
 Grossman, Hon. L. S.; Minister of Industry and Tourism (St. Andrew-St. Patrick PC)
 Henderson, Hon. L. C.; Minister of Agriculture and Food (Lambton PC)
 Kerrio, V. G. (Niagara Falls L)
 MacDonald, D. C. (York South NDP)
 McClellan, R. A. (Bellwoods NDP)
 McGuigan, J. F. (Kent-Elgin L)
 Miller, Hon. F. S.; Treasurer of Ontario and Minister of Economics (Muskoka PC)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 Norton, Hon. K. C.; Minister of the Environment (Kingston and the Islands PC)
 O'Neil, H. P. (Quinte L)
 Reed, J. A. (Halton-Burlington L)
 Riddell, J. K. (Huron-Middlesex L)
 Rotenberg, D. (Wilson Heights PC)
 Ruprecht, T. (Parkdale L)
 Shymko, Y. R. (High Park-Swansea PC)
 Smith, S. L. (Hamilton West L)
 Sterling, Hon. N. W.; Minister without Portfolio (Carleton-Grenville PC)
 Stokes, J. E. (Lake Nipigon NDP)
 Swart, M. L. (Welland-Thorold NDP)
 Sweeney, J. (Kitchener-Wilmot L)
 Timbrell, Hon. D. R.; Minister of Health (Don Mills PC)
 Walker, Hon. G. W.; Minister of Consumer and Commercial Relations and Provincial Secretary
 for Justice (London South PC)
 Watson, A. N. (Chatham-Kent PC)
 Welch, Hon. R. S.; Minister of Energy (Brock PC)
 Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)
 Wildman, B. (Algoma NDP)



Ontario, LEGISLATIVE ASSEMBLY

No. 85

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Monday, November 2, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Monday, November 2, 1981

The House met at 2:02 p.m.

Prayers.

AGRICULTURAL GRANTS

Mr. Wildman: Mr. Speaker, I have a point of privilege to raise with you. It is in regard to the answer to question 147, which was tabled in the House on October 29, and its apparent contradiction with information that was presented before the standing committee on resources development on October 15.

In the answer tabled October 29, the Minister of Agriculture and Food (Mr. Henderson) stated that, under the agriculture technology transfer subprogram, "Costs incurred following the date of application and prior to approval by the management committee may be approved." But in the committee debate, Mr. Galloway of the ministry stated that the management committee "has to give approval prior to initiating the project."

There appears to be a direct contradiction between the written answer given to me by the minister and the statement made on the record in the committee by his staff, and I ask you to raise this matter with the minister and determine what is the fact, what is the procedure, and have the matter clarified for the record.

Mr. Speaker: I suggest that the honourable member take that matter up with the minister himself at the appropriate time.

UREA FORMALDEHYDE FOAM INSULATION PETITION

Mr. Speaker: On Thursday last, the member for London North (Mr. Van Horne) asked me to consider a petition relating to urea formaldehyde foam insulation.

While the petition appears on the face of it to require the expenditure of public funds, the member did make the point that it is possible to interpret it as asking the government to assist in some way that would not entail the expenditure of money.

The member did raise an interesting point; so the petition has been given the benefit of the doubt, and I want to inform all honourable members that the petition will be entered as received as of today.

STATEMENTS BY THE MINISTRY

ONTARIO CAREER WEEK

Hon. Mrs. Birch: Mr. Speaker, this is the third year that the Ontario Youth Secretariat is sponsoring Ontario Career Week in elementary and secondary schools, colleges and communities throughout the province. Many members will recall the activities that took place in their communities last year that assisted young people in learning about career choices open to them. My parliamentary assistant, the member for Brantford (Mr. Gillies), and I expect many members will be participating in career week events in their own constituencies again this year.

The theme for Ontario Career Week 1981 is "A Step Toward Tomorrow." We feel it is a chance for young people to find out about and to explore career options. We hope that discussions and exchange of information between young people and educators, the business community, service clubs and labour and trade organizations will help them to do this.

In particular, career week is an important opportunity for young women to find out about careers in which women have been underrepresented in the past. Informing women students about nontraditional jobs gives them an impetus to take courses and learn skills that may lead to better and more interesting employment. As well, it will increase the pool of young people who can fill employers' demands for technical and trade skills.

We have been assisted by the Ontario School Counsellors' Association, members of the teaching community who have written some of the material, the Canada Employment and Immigration Commission and the Canadian Forces. This kind of co-operative effort on behalf of our young people can only be positive and rewarding for all concerned.

ENERGY AND AGRICULTURE

Hon. Mr. Welch: Mr. Speaker, later today, in conjunction with my colleague the Minister of Agriculture and Food (Mr. Henderson), I will be tabling a report called Energy and Agriculture. This report is the product of a year-long study

by the Ontario energy and agriculture policy committee, which we established in June 1980.

This is a good report. The people who prepared it deserve our thanks. They point out that Ontario farmers are efficient and productive: in 1940, the average farm in this province produced enough food for 15 people; today it feeds 80 people.

The report acknowledges that Ontario agriculture has the opportunity, not only to satisfy the growing domestic market but also to grow, process and supply the international demand for food. However, in the last 10 years, energy prices have quadrupled, and in the next two decades the price of energy will continue to rise. What this means is that the food production industry must conserve energy, especially oil, as well as develop and use alternative fuels. To do this, the committee report recommends that the government of Ontario develop a comprehensive 20-year strategy for energy management in the agricultural sector, and it outlines an initial five-year agricultural energy management program.

In addition to suggesting that farmers use fuels other than oil, the report says the farm itself may provide energy for use in the future. The report confirms the wisdom of our decision to advocate the use of surplus industrial heat to expand Ontario's greenhouse industry.

As I mentioned, members of cabinet will be considering this report in the near future and, in continuing the responsible and open style in which this report was developed, the government will make its policy decisions only after further consultations with the agricultural industry. The programs developed as a result of this report will become an integral part of the co-operative energy activities already under way between the Ministry of Energy and the Ministry of Agriculture and Food.

2:10 p.m.

I remind the honourable members of the work being done by the Agricultural Energy Management Resource Centre in the Ministry of Agriculture and Food. It was established in October 1980 to co-ordinate and expand research and demonstration programs. Although it has only been operating for a year, there are already a number of important projects under way. These include, for example, on-farm fuel alcohol demonstrations and the evaluation of vegetable oils that could be used to replace diesel oil on Ontario farms.

Members will also remember that in March 1981 the Premier (Mr. Davis) established a

greenhouse advisory committee to consider the energy future for the greenhouse industry. That committee includes four commercial greenhouse operators and government staff, and their report is in the final stages of preparation.

I also wish to add that, in addition to these initiatives, many of our present research and development programs are geared to improve energy efficiency. Pest management systems, fertilizer applications, tillage operations and manure storage systems are just a few examples of areas receiving priority study now. I think it is perfectly clear that we are concerned and that we are taking action.

I want to thank the committee again for its excellent work and to assure the members that this report is receiving very careful consideration.

Mr. Nixon: On a point of order, Mr. Speaker: I am sure you understand how difficult it is when members of the Legislature are asked by their constituents and the media to comment on a report that has not yet been made public although they, at least in the case of the media, have copies in their possession.

I want to lodge with you, sir, my protest that the honourable minister would attempt to manage the news by dribbling this report out to some of his friends in the press without giving it to the House in a proper and acceptable way.

Mr. MacDonald: On the point of order, Mr. Speaker: We have just completed the estimates of the Ministry of Agriculture and Food. We had 18 hours, and we spent at least an hour and a half or two hours of the 18 discussing the energy issue, which the deputy told us represented 18 per cent of farm input costs.

I find it irresponsible, outrageous and totally inexcusable that this report should have been sitting here in this building—it was delivered to the government at the end of August, and it could have been printed, as I suspect it was, before the middle of October—so that the members of the committee were denied the basic information in it needed to discuss sensibly and substantively, rather than in vacuo, the ministry's estimates.

Hon. Mr. Welch: Mr. Speaker, both members are entitled to some explanation with respect to the points they raise.

I think the honourable House leader for the official opposition should be reminded that the minister himself certainly has not leaked the contents of any report to any member of the media. It is my understanding that the first

official copies of these reports are being turned over to the media now, in connection with this particular statement.

Some particular journalist may have had access to this report. I ask the honourable House leader to reserve his comments until he reads the report. I invite him to read it and to read the media account to find out whether there was access to the report or only speculation with respect to its contents.

The report to which I am making reference, if I can speak to the member for York South (Mr. MacDonald), is just being bound today, and one of the reasons we have waited until now was that the full report was not available to date. All we had up until now was the executive summary, and we felt that members were entitled to have the backup and the complete report. We have been working all morning to get this particular report available, and it is now available at least in numbers for members of the House. There has been no intention to withhold any information.

To show how secret this report was, we had been running advertisements in agricultural journals over the last two or three months telling people the report was on its way and inviting people to write in. I have copies of those ads here. We announced the study more than a year ago; so there is certainly nothing secret about the fact that this House has been advised there was such a report. We have been indicating to people that they have been working on it. We have had outside membership on the committee. There has been consultation with all sorts of people with respect to this.

Any research at all would have provided members with ample evidence of the fact that work was going on. For any questions that could come up, we felt it was important to release both the executive summary and the full report, and that is what we are doing today.

Mr. MacDonald: Mr. Speaker, the minister really has not addressed the point of order. He asked the Liberal House leader to reserve judgement until he had read the report. That is not the point of order.

The point of order is that this material was available if the government had wanted to make it available for consideration where it should have been considered, during the estimates of the Ministry of Agriculture and Food. He sat on it until the estimates were over.

Mr. Martel: On the same point of order, Mr. Speaker: Might I ask the acting Premier whether, in view of the fact that the estimates now

have been completed, he is prepared to arrange adequate time so the standing committee on resources development and members of the agricultural community will have an opportunity to discuss it? In other words, is he prepared to give more time so that this matter can be discussed in detail before the standing committee?

Hon. Mr. Welch: Mr. Speaker, as I indicated in my statement, before any government action is announced with respect to a follow-up to this report, we want to have a wide consideration of this report throughout the agricultural community. I would think what we would want to do would be to have some opportunity to review this report. Indeed, we want to consult as far and wide as possible with respect to it.

I am a bit disturbed by any suggestion that there was any deliberate attempt to withhold this report. I want to make it quite clear that the report is being tabled today. In fact, we had some difficulty getting enough copies of the report bound for this announcement today, which we felt was important in view of the fact that there would appear to be some evidence someone may have had access to the executive summary in advance of members of the House.

Mr. Martel: I asked the acting Premier a specific question: Given all the things he has said, is the acting Premier prepared to arrange time for it to be discussed by the agricultural estimates committee? Is he prepared to arrange somewhere down the road—a month from now, or two weeks from now—an opportunity for the committee to review that document?

Hon. Mr. Welch: It is my understanding from my past experience that is the sort of thing we sometimes have found time for on Thursday evenings in the House, some type of a wide-ranging discussion on various reports that have come forward. If the House leaders want to make some arrangement to discuss this particular matter on a Thursday evening, I think that is something I would leave with our House leader to discuss with his colleagues.

Mr. Breaugh: On a point of order, Mr. Speaker: I would like a ruling from you on whether it is proper for a deputy minister of the crown to comment publicly on a report that has not yet been tabled in the House. I read in Saturday's *Globe and Mail*, I believe it was, comments by Malcolm Rowan on this particular report. It is my impression that parliamentary tradition says senior civil servants of that nature

do not comment publicly on reports that have not yet been tabled in the House. I would like your ruling on that.

Mr. Speaker: I will have to take that under consideration and report at a later date.

ORAL QUESTIONS

ENERGY AND AGRICULTURE

Mr. Smith: Mr. Speaker, I have a question for the Minister of Energy. The report that was leaked in the press, that was withheld until after estimates and that has been kept from us for this long finally has been placed on our desks—at least the summary and recommendations have been. It makes very clear that Ontario's agricultural production—and I use the words of the report—"will not keep up with the growing provincial population unless there is a radically different energy attitude and program."

Can the Minister of Energy explain how it is that just the simple interest alone per year on the Suncor deal is 29 times what he is planning to spend in total over the next five years on the development of fuel alcohol in the form of ethanol? Can the minister explain by what sense of priority he is able to spend \$650 million plus the interest to be in a situation where the interest alone is 29 times what he is going to spend on the very program which, according to this report, is necessary to rescue and maintain our agricultural industry?

Hon. Mr. Welch: Mr. Speaker, the summary to which the Leader of the Opposition makes reference, having identified areas that require attention, goes on to point out the 20-year strategy plan to which I made reference in my statement, together with the more immediate five-year plan.

The honourable member also knows I have indicated that, since we have now received this report, we are anxious to have an opportunity to review it thoroughly and in particular to review it with the agricultural community, following which we will announce initiatives in response.

2:20 p.m.

The Leader of the Opposition also knows that the Ministry of Energy is not the only ministry within which energy initiatives lie; the Ministry of Agriculture and Food itself already has addressed and attached a very high priority to this whole question of energy. I feel quite confident that we, along with the agricultural community, will measure up to the challenge the report points out.

I do not think that has any particular rele-

vance to the way in which he was trying to get the other issue into the discussion. We are now faced with an excellent report, prepared for us by very well-informed and competent people. They have provided a plan to us, we are now going to discuss it, and then we will respond to it. I feel quite confident we will meet the challenge that report has presented for us.

Mr. Smith: What conceivable basis can there be for the minister's so-called confidence when his government is squandering almost \$1 billion, including the cost and the interest just in the next year or so on the Suncor deal, and when the very important program of fuel alcohol is left at the moment in the hands of two farmers in Ontario, the only two people apparently who even have stills on their farms, Mr. Philip Durand, who is still testing his and Mr. Leslie Adamkewicz, who has a unit and is not operating it yet?

This being the grand total of his great 20-year strategy so far, leaving us strictly at the mercy of fuels coming in from outside Ontario, how can he possibly sit there and say he is giving sufficient attention to the fuel alcohol program while he is willing to spend \$1 billion on buying a share of an Alberta company, where the money leaves Ontario never to be seen again?

Hon. Mr. Welch: The Leader of the Opposition knows very well about the other initiatives that have been undertaken by the ministry: its five-year alternative transportation fuels program involving some \$75 million, a report of which was thoroughly discussed during the estimates of the Ministry of Energy, and the work that is being done on a number of fronts with respect to finding substitute fuels.

The Leader of the Opposition will also know that he is being well advised that for the foreseeable future there still will be a strong dependency on hydrocarbons. Oil and gas still will form about 60 per cent of the total energy requirements of this province, and any initiatives taken by this government with respect to the security of supply of those particular fuels is just as important to the agricultural industry as it is here.

The honourable member knows that there will be no development on those lands owned by Suncor without access to the attractive incentive grants that come as a result of the national energy program, and that this government announced more than a year ago that it would find a role for the Ontario Energy Corporation to assist in the Canadianization process. It is absolutely essential to get on with that explora-

tion and find more oil and gas, and that is why the people of Ontario will support the involvement of their government in that particular project.

Mr. Cassidy: Mr. Speaker, there has been a broadening of concern about the preservation of prime agricultural farm land as a result of the report the minister has tabled in the House today. The report is quite clear on the fact that the lands close to the metropolitan areas have got to be preserved, because those lands are the most energy-efficient both to crop and from which to ship produce into market.

The report says specifically that "preservation of prime food land and soil conservation should be central components in Ontario's agricultural and energy policies." Given that we have lost 93,000 acres of prime farm land in Ontario for every Conservative MPP who sat in this House on March 18, 1980, will the Minister of Energy say what the government now intends to do to implement this policy and get those 93,000 acres of farm land back into production here in Ontario?

Hon. Mr. Welch: Along with the leader of the third party, Mr. Speaker, I did take note of that particular part of the report making some very responsible comments with respect to the development of additional farm land. It seemed to be consistent with other areas of our economy, thinking in terms with respect to planning that was related to, and had in mind, the energy requirements.

Coming from an area that has a fair acreage of land still in agriculture—in fact, I come from an area where there is an official plan now that actually defines agricultural land and preserves agricultural land—I think we should all take pleasure in the fact that the Ministry of the Agriculture and Food is quite satisfied that the present agricultural and food guidelines will address the concerns that are pointed out in that report.

Mr. J. A. Reed: Mr. Speaker, in his answer the minister has concisely stated the necessity for Ontario to get off oil as quickly as possible and yet in the last five years his government has allowed more renewable energy to be destroyed in this province than has been created. The minister knows that; it was brought up in supplementary estimates last year. What is he going to do about the continued rape of the small water power sites in this province which he has allowed to be destroyed never to be renewed again?

Hon. Mr. Welch: Mr. Speaker, as my colleague the energy critic of the official opposition has pointed out, we have a long-term plan. I remind him of the publication of the Ministry of Energy setting out targets for the next 10 to 15 years in this province to provide for the situation to which he makes reference. In that document is the provision of 2,000 more megawatts of electricity—

Mr. J. A. Reed: What about the ones that he has allowed to be destroyed in the last five years? They have destroyed more than they have created.

Mr. Speaker: Order.

Hon. Mr. Welch: We are talking about the total recognition of how we move into new areas of energy and renewable areas of energy. I am quite satisfied that will require a period for transition. The honourable member knows that. One has to look after the immediate needs as one prepares for the future transition. I happen to feel that Ontario is really in the forefront with respect to many initiatives in that line. Anybody who approaches us in a very detached and objective way would be the first to agree.

ONTARIO ENERGY INVESTMENT

Mr. Smith: A question to the Treasurer, Mr. Speaker: With respect to the letters that were tabled by the Minister of Energy in response to our request for the documentation leading to the purchase of Suncor shares, Mr. Speaker, you will be aware that the only things tabled were two letters, one from McLeod Young Weir and one from Price Waterhouse, and that no reports actually were tabled.

Given that these letters contain no evidence whatever of any cost-benefit analysis of the Suncor deal; no evidence of the impact of a dividend policy or any analysis of any other options to pay for the purchase; no analysis of short-, medium- and long-term implications of the deal; no evidence that the experts thought the deal was a particular bargain; and, most important, no recommendation to purchase at all, how does the Treasurer square these particular letters with the statement made by the Premier (Mr. Davis) that he was assured by McLeod Young Weir and Price Waterhouse that the negotiated price is a sound investment for Ontario taxpayers?

All the letters say is, "If you want to buy the shares, this is the price you are going to have to pay." There is nothing to speak of in terms of whether this is a sound investment, a foolish

investment, a bargain or anything that will possibly be of benefit to the people of Ontario over the short, medium or long term.

Hon. F. S. Miller: Mr. Speaker, I hope the member will have ample opportunity to continue with this during this afternoon but, in the meantime, I will point out that there are a number of negotiations still going on to complete the financing of the \$325 million that was taken back by some type of debt instrument. I am sure the Leader of the Opposition knows that kind of negotiation is not normally done under the glare of lights. It is the kind of thing that is best done with some degree of confidentiality.

Second, a good deal of the kind of the information that is required in any of these arrangements—

Mr. Smith: It's our money.

Mr. Peterson: Nobody else wants to buy it. Why does it have to be confidential?

Mr. Speaker: Order.

Hon. F. S. Miller: A good deal of the kind of information involved in the appraisal of any investment often requires access to confidential financial records, which we believe are the kind that one would not normally expect anyone to have to reveal.

For example, the member knows that I have access to his personal income tax information. He would expect me not to reveal that in the House, and I believe it is a requirement under the law for me not to do that. At the same time—

Mr. Nixon: Thanks a lot.

Mr. Smith: I am not seeking to have you buy 25 per cent of my assets, as you are trying to have the people of Ontario—

Mr. Speaker: Order.

Hon. F. S. Miller: I can only say if I tried to buy 25 per cent of that member, he would have to pay me to take it.

2:30 p.m.

Mr. Smith: The analogy used by the Treasurer has hit a new low. I am not seeking any silent or blind partners, but Suncor apparently wants a partner not only silent but also blind.

With respect to the statement by Mr. Kierans that says public disclosure of the information would be "in violation of the confidentiality agreement signed with Suncor, designed to protect its commercial and competitive interests," may I ask the Treasurer what is this confidentiality agreement signed with Suncor?

Who signed it? Who was authorized to sign away our right to know the facts here in the Legislature?

Hon. F. S. Miller: The Minister of Energy (Mr. Welch) has just told me the Ontario Energy Corporation had that ability.

Mr. Smith: On a point of order, Mr. Speaker: The Treasurer has said the Ontario Energy Corporation has that power. Did it sign it or not? It is a very important matter.

Hon. F. S. Miller: As I pointed out, at times there are some details which the Minister of Energy is obviously more aware of than I am. This is one of those cases. He says, "Yes, they did sign it."

Mr. Wildman: Mr. Speaker, is the Treasurer telling the House that, because of the agreement for confidentiality, we must settle for the assurances of McLeod Young Weir and Price Waterhouse that we paid a fair price?

Hon. F. S. Miller: Mr. Speaker, I think the reputation of those two firms is such that when an appraisal is made one would think some of the most competent people in Canada have joined in that appraisal.

Mr. Smith: In his first answer, the Treasurer implied that McLeod Young Weir and Price Waterhouse did have something more to say about whether this was a good long-term investment, a good bargain and something that ought to be purchased.

Does the Treasurer agree that all we have received by way of these letters indicates simply that, if one wants to buy 25 per cent of Suncor, this is the price one is going to have to pay and says nothing whatever about whether it happens to be a particularly good buy, whether it is in the interest of Ontario, whether the benefits outweigh the cost, what the implications for financing are and certainly nothing that suggests one should go ahead and buy it?

It simply says, "If you insist on buying it, this is the fair price as best we can determine." Is there a recommendation to purchase anywhere in the compendium that is being withheld from us?

Hon. F. S. Miller: When the Leader of the Opposition looks at the letters, as he has done, he will see that both letters use the same kind of phraseology. In fact, the McLeod Young Weir letter and the Price Waterhouse letter use almost exactly the same words in certain parts.

Mr. Breithaupt: I wonder why that is.

Hon. F. S. Miller: That is not a coincidence. I am not as suspicious as the honourable member

implied. The purpose of a second opinion, as I understood it, was to make sure we were at least getting two points of view. They agreed. They are saying the range was somewhere between \$550 and \$675 million for a block price.

Mr. Cassidy: I have a question for the Treasurer, Mr. Speaker. How can we judge an acquisition which probably makes a lot of sense for Ontario but which at this time we are not in a position to judge?

Mr. Smith: Oh, sure!

Mr. Mancini: Throwing the people's money down the drain.

Mr. Cassidy: Why don't you talk to your federal colleagues?

The documentation that was tabled indicates that, in addition to the purchase of Suncor, the Ontario Energy Corporation and Suncor intend to set up a new sidecar company to qualify for the maximum petroleum incentive payments under frontier land programs. Because of the fact that Suncor will be only 25 per cent Canadian owned at the outset, this means well over that proportion of the sidecar company will have to be financed by the Ontario government.

Can the Treasurer say how much of a commitment Ontario has made to this exploration subsidiary on top of the \$650 million, over what time that money will have to be spent and what the prospective returns are from that exploration in return for what investment from this province?

Hon. F. S. Miller: Mr. Speaker, those are the kinds of questions that will be dealt with in the context of the Ontario Energy Corporation. Those questions are best directed to my colleague.

Mr. Cassidy: I would like to redirect the question, Mr. Speaker.

Hon. Mr. Welch: Mr. Speaker, a decision with respect to those amounts has not yet been made. I can understand the difficulty here, and I would really like to be helpful. I think it is very important to understand that the negotiations are still going on. We have a tentative agreement on the overall situation as far as this deal is concerned, but during the negotiations it was obvious we really had to maintain strict confidentiality and secrecy until the agreement was reached.

Mr. Smith: Why did the minister announce it prematurely?

Hon. Mr. Welch: We had to because of the rules and regulations that govern the shareholdings in the United States. Their rules of disclosure require, I think, that as soon as the company was involved in these negotiations they had to be notified within such a time period.

But I am talking about other deals. I am saying the purchase price has been settled—how much of it is in cash has been settled; how much is going to be secured as far as repayment is concerned has been settled. What we have not finalized is whether or not there are some terms and conditions that may be more attractive to Ontario. We are still in the middle of those negotiations. Those details all have to be settled before what is called the final closing can take place.

All we are saying is that having decided we wanted to translate the policy decision of the government on Canadianization in some meaningful way and that we got the proper advice on valuation—that the price was right from a business point of view—we took the decision to enter into that agreement.

Even now the deal is not complete. We have to maintain this degree of secrecy until the final agreements are executed. I would think there are people who understand that when we consider buying these shares we have to get information on things such as earnings forecasts, reserve estimates and marketing projections, all of which we must have access to in order to make a determination on the price but which, of course, the company would not want to make known to its competitors in the marketplace. I do not think that is unreasonable; I do not think that is inconsistent with what goes on during these transactions. To suggest there is something sinister about that, I think, is irresponsible.

I have looked at comments from a number of people in the securities business, all of whom have been quite anxious to go on the record as indicating what a positive deal this is as far as Ontario is concerned. I have got them all here.

Ontario has struck a good bargain; it is a very profitable plan. Ontario's price of \$50 a share for Suncor was a comparatively good one, according to people who are analysing this matter. We are only trying to be responsible and to honour the undertakings we have given at this stage of the negotiations to maintain some privacy with respect to the information we had to have in order to come to a proper decision. But it should not, at this stage of the game, be public information.

Mr. Cassidy: Supplementary, Mr. Speaker: The minister is saying that even now the government is not in a position to say exactly whether the deal was worth while at the price at which it was struck or what is going to come out of it. He is not prepared to say how much the government will commit itself to in terms of the exploration corporation that will be set up as a joint venture between the Ontario Energy Corporation and Suncor. He is saying that many aspects of the deal have yet to be finalized.

Under those circumstances would the Minister of Energy then say what the documentation was on which he went forward? What, for example, led the government to state, "It is a good investment for Ontario, with a rate of return of more than 15 per cent."? I hope that is true, because I suspect it is a good deal. But if the government is going to defend this deal it has to be able to show whether or not that is the case.

Did the minister have a study on the rate of return of the investment? Where is that study, and why can we not have a look at it now in this House?

Hon. Mr. Welch: Mr. Speaker, if I may continue on this theme, we have to remember we are buying shares in a company that is facing strong competition in the oil and gas industry. Surely common sense would demand we not release detailed information on the company which would be valuable to its competitors at this stage. I suggest it is totally irresponsible—I think this should be on the record—to seek full disclosure of the transaction that would undermine the negotiations at the present time. I would think in due course, to answer your question—

Mr. Cassidy: You misunderstand what parliament is all about.

2:40 p.m.

Hon. Mr. Welch: I am only pointing out that would not be acting in the best interests of the people of this province at this time.

We are quite satisfied we have a good deal. We have plenty of evidence it is a good deal. I do not understand why the member would not understand that.

Mr. Cassidy: Oh boy, you're happy with your majority aren't you. You think it's great.

Mr. Speaker: Order. The member for Ottawa Centre asked the minister a question and the minister was addressing it.

Mr. Cassidy: He's abusing this Legislature; that's what he's doing.

Mr. Speaker: Order. I would ask you to allow the minister to continue answering the question.

Mr. Smith: Supplementary: I take it the minister is undertaking that when the deal is eventually signed—and I certainly hope it will not be signed—the compendium will be released at that point? Or will the minister continue to hold it back, allegedly because of the necessity of confidentiality?

If it is the latter, upon whose legal advice did the Ontario Energy Corporation sign away the right of the Legislature to know? Surely Suncor realized when it was getting into a deal with the people of Ontario the people of Ontario might need to know more than would some other ordinary purchaser? Would the minister therefore tell us upon whose legal advice our right to know was signed away by the Ontario Energy Corporation? And will the compendium be released after the matter is signed?

Hon. Mr. Welch: Mr. Speaker, the Honourable Leader of the Opposition knows the compendium has been filed. I point out that—

Mr. Smith: That is a blatant lie.

Mr. Speaker: Order. That language is unacceptable and I would ask the honourable member to withdraw it please.

Mr. Smith: The statement that the compendium of information upon which this purchase of Suncor was made—the basis for the purchase—has been tabled in this House is a totally false statement.

If the words "blatant lie" upset parliamentary procedure, I am prepared to withdraw them. But it is a totally false statement, and deliberately so.

An hon. member: Same thing.

Mr. Speaker: Thank you.

Interjections.

Mr. Speaker: Do you have a response?

Hon. Mr. Welch: Mr. Speaker, may I say in defence of myself—if I might be allowed as a matter of privilege—I fail to see the difference between a blatant lie and a deliberate falsehood.

Mr. Smith: Neither do I.

Mr. Breithaupt: Moving right along.

Mr. Speaker: Order. This language, as I pointed out before, is totally unacceptable and I would ask the Leader of the Opposition to withdraw his remarks.

Mr. Smith: Mr. Speaker, I am prepared to withdraw the remarks that are considered unparliamentary. I do not want to prolong this.

I do say the minister knows these letters are not the compendium upon which the deal was

based. There is no recommendation to purchase in these letters. The Treasurer himself implied there was much more information that was available. The minister ought also to be a gentleman and not leave the implication the genuine compendium has been tabled, when he knows it simply is not so.

Hon. Mr. Welch: Mr. Speaker, I find myself in agreement with the Leader of the Opposition when he makes some reference to the two letters he just dropped on his desk. The two letters are part of an answer to a question, which answer was tabled in the House on Friday. I was not making reference to those letters as a compendium.

I am going back about a week ago or so when there was some reference that a compendium had not accompanied the Premier's (Mr. Davis) statement. I drew to the attention of the leader of the third party at that time that we had filed material in response to the rules for a compendium. The member will see, if he goes back to Hansard at that time, I drew attention to the fact that the leader of the third party had been a member of the select committee studying the Camp commission report on the Legislature. I noted it was in that report that the concept of compendia was mentioned.

If he goes to the Camp commission report and looks for a definition of compendium, it tells him there. A member of the select committee or any member of this Legislature would understand that. The report uses, as an example of a compendium, the procedures that are carried out in the House of Commons in Great Britain. It talks in terms of a compilation or collection of documents that are available and relevant to the subject, or whatever the words in Camp were. I took the position, which I was reiterating just prior to the exchange with the Leader of the Opposition, that what we filed as a compendium to the statement made by the Premier came within the definition of compendium as set down in the very report from which the whole concept came to be included in our rules. That is the point I was wanting to make.

Mr. Cassidy: Final supplementary, Mr. Speaker: The minister is really saying that now there is a majority in this Legislature, the government is doing its best to give as little information as possible to the opposition and also to the people of Ontario. All we received was a copy of the press kit that was released, plus the annual report of Suncor and nothing else. If that is the basis on which the government carried out the

decision to spend \$650 million, then I would say it was acting irresponsibly when it made the purchase. That is exactly what happened.

Interjections.

Mr. Speaker: Question.

Mr. Cassidy: My question, Mr. Speaker—
Interjections.

Mr. Speaker: Order.

Mr. Cassidy: My question, Mr. Speaker—since right now the Treasurer cannot pay his bills because of the obstinacy of the Minister of Energy in refusing to give the information on which this deal was based—would the Minister of Energy share with the House the answers to these questions? Was a study requested by the ministry as to the advisability of buying 51 per cent of Suncor rather than 25 per cent? What advice did the minister receive, either from his own officials or from McLeod Young Weir or Price Waterhouse? Is the government of Ontario required to pick up the option if 26 per cent of the shares are not sold privately, and at what price? What are the commitments into which Ontario is entering as part of this deal?

Mr. Speaker: There were at least five questions there.

Hon. Mr. Welch: There were two main questions, Mr. Speaker. The answer to both is no.

Mr. Cassidy: It is unbelievable the government of Ontario would be looking—

Mr. Speaker: Order, order. I am asking you to ask a question, not make a statement.

ASSISTANCE TO FARMERS

Mr. Cassidy: My question is to the Treasurer, Mr. Speaker. In view of the financial plight of farmers here in Ontario is the minister aware that back in 1978 the money farmers spent in interest was equal to only 36 per cent of the money they took in net income from farming? Is he aware that last year the banks took 80 per cent as much out of farming in this province in interest as farmers took home in net income?

Given the increase in farm rates, the banks, without ever putting a hole in the soil, driving a tractor or anything else, will take as much or more money from farmers in interest payments as the farmers will take home in net income payments. Does the Treasurer not think that is sufficient reason to justify Ontario's becoming involved in giving finance to farmers at a rate they can afford, so they can continue to put food on our tables at a price people in this province can afford?

Hon. F. S. Miller: Mr. Speaker, it is a complicated question. Of course, the total interest charges for farmers have climbed in the last three years, as have the total interest charges for people with homes or for the member or myself, wherever we borrow money. I get a little tired of the implication that all the interest flows to a bank. It does not. I do not know what the member does with his spare money, but if it happens to be in a certificate of deposit, the bank is flowing it through to the depositor, working on two or three per cent or whatever is the normal margin on borrowed money.

They can make as much money at an eight per cent rate as they can at an 18 per cent rate—something people tend to forget. The real beneficiaries of the high interest rate policy happen to be people who have money to lend, not banks specifically.

2:50 p.m.

Mr. Cassidy: Supplementary: Given that what the financial institutions have been taking in interest rates and interest has gone from a quarter of a billion dollars three years ago to something over half a billion dollars today, does the Treasurer really believe his Minister of Agriculture and Food (Mr. Henderson) when the minister says only one per cent of the farmers in the province are in serious financial troubles? Does the Treasurer not agree it is at least 10 times that many, which is what the Ontario Federation of Agriculture has been saying? What action does the government now intend to take in order to rescue Ontario farmers who are being driven to the wall because of the high interest rates?

Hon. F. S. Miller: My colleague the Minister of Agriculture and Food has on a number of occasions recited the steps he has taken this year. The Ontario Federation of Agriculture has a special committee looking at the problem now. I think all of us realize a statistic given by a bank or a set of banks, which said 450 farmers were in serious financial trouble, was based only on an analysis of whether they are or are not able to repay their loan in the immediate future. I do not see that as a measure of the problem for the farm community. I am sure the member agrees with that too.

I certainly do not think it is limited to one per cent of the farmers. Those are the people who now may be in the process of losing their farm. I think the very reason the federation has this task force out looking around is to assess in greater

depth the real extent of that trouble. I am sure, whether the member chose farmers or any other group in society, the immediate statistics do not underline the overall problem, the one that has more or less submerged waiting to pop up.

Mr. McKessock: I would ask the Treasurer, after the federal budget is introduced on November 12, if there is nothing satisfactory to the farmers of Ontario through the Farm Credit Corporation, would he at that time consider reinstituting Ontario's junior farmer loan program, not just for junior farmers but for farmers of any age, at a reduced interest rate for a long term period to allow these farmers who are in financial difficulty to refinance their present debts?

Hon. F. S. Miller: Mr. Speaker, I think it would be foolish for me to rule out anything. The advanced intelligence we have is that the Minister of Finance for Canada intends to do something for farmers. I sincerely hope this is right. I sincerely hope this information is right, and that he will have some measures in the budget, be it lower rates for farmers through the Farm Credit Corporation or a variation on the small business development bond so that it covers operating loans for unincorporated farmers.

Ontario stands ready to forego its share of any tax income if there is a federal policy in place. Together, the impact of both will be useful; alone, neither one quite does the job.

Mr. MacDonald: Is the provincial Treasurer aware of the fact that Ontario has the lowest amount of per-farm provincial government extended credit in this country? The rates range from a high of \$17,000 in Quebec, to \$1,199 to the average farm in Ontario. That being the case, does he not think it is time for him to quit saying this a responsibility of Ottawa's and to pick up solving the problem at the provincial level, as every other province is doing at least to some degree?

Hon. F. S. Miller: My friend has been around this House too long and has followed the progress of agriculture for too long to feel the statistic he has given me means Ontario's farmers somehow are neglected. The truth is we have the best, most productive farm land in Canada. The member knows that. The fact that some of the cash crops at present are not in trouble has implied we did not have to have the same degree of—

Mr. MacDonald: The usual evading of the problem.

Hon. F. S. Miller: I am not evading it. I am stating the fact exactly. Show me where they grow soybeans in some of the provinces that are in trouble. I would also point out this province is a net contributor to equalization of \$1.7 billion a year roughly. That flows out of his pocket and mine through a federal program, \$1.8 billion of it going to Quebec alone.

ONTARIO ENERGY INVESTMENT

Mr. Breithaupt: Mr. Speaker, I have a question for the Minister of Energy. The Minister of Energy? Hello?

Mr. Speaker: The member for Kitchener has the floor.

Mr. Breithaupt: I will certainly try to place my question with the undivided attention of the Minister of Energy, Mr. Speaker.

Since a preliminary report of the Ontario Economic Council has stated that the energy pricing agreement between the producing provinces and Ontario is likely to create a fiscal drag on the economy because there is a shift of revenue from the corporations to government, what guarantees can the minister give us that the anticipated rate of return on Suncor will be 15 per cent, above and beyond the 17 per cent interest we are going to be paying?

Hon. Mr. Welch: Mr. Speaker, I am not sure I really understand the question. Did the member ask me about the guarantee being above and beyond? Would he mind repeating that?

Mr. Breithaupt: What guarantee can he give us the anticipated rate of return on Suncor will be 15 per cent?

Hon. Mr. Welch: If that is the question he is staying with now, that is not what I thought I heard the first time. On the basis of all the information we have and the advice we have received, we have taken the decision which we have. I do not know what further assurances we can give him at this time except that the strength of the information we have had and a very in-depth analysis of the whole transaction would lead us to that conclusion.

Mr. Breithaupt: Since the minister is not sharing that detailed analysis with the House, can he advise us if the McLeod Young Weir and the Price Waterhouse reports both took into account the effect on Suncor of the energy pricing agreements?

Hon. Mr. Welch: Most assuredly; that was a very important part of the whole transaction.

Mr. Cassidy: A supplementary, Mr. Speaker:

A 15 per cent return on a \$650 million investment implies that Ontario expects to get about \$95 million to \$100 million per annum in return on its investment. If that is the case, that implies either that Suncor will earn \$400 million the first year Ontario is a participant and that all of it will be paid out in dividends, or else that somehow Ontario sees the money coming from some other source.

Would the minister say on what basis the government stated that from the outset the return on Suncor will be 15 per cent and how much actual revenue Ontario expects to get from the Suncor investment, beginning when?

Hon. Mr. Welch: Mr. Speaker, I cannot really add any more information than I did to the main question. We certainly had all of these matters carefully analysed for us. We have the assurance of those studies and we now are in the process of completing the arrangements on the strength of that advice.

INTEREST RATES

Mr. Cooke: Mr. Speaker: I have a question for the provincial Treasurer. Is he aware that so far this year in the city of Brantford there have been 94 foreclosures on homes, in Sarnia 72 homes have been repossessed that are on the market, in Chatham there are 65 homes on the market that have been repossessed and five more are coming in per week, and in Windsor there are 600?

Is the minister still sticking by his line in the emergency debate when this House resumed in October that a lowered interest rate at the federal level would result in a lower dollar and, therefore, there would be more damage done to the economy, implying that high interest rates have to remain? Or is he prepared to state clearly today on behalf of the government of Ontario that interest rates should be lowered by the Bank of Canada immediately?

Hon. F. S. Miller: Mr. Speaker, I think the Economic Council of Canada has just issued some advice to the federal government looking at the ability of the Canadian dollar to withstand changes in the interest rate vis-à-vis the United States. To answer your question—am I aware?—my answer is, “No, I am not aware of specific statistics,” and I am sure he knows that.

I have been aware—

Mr. Cooke: Would the minister now answer the second part of the question—what is his position?

Hon. F. S. Miller: I have been aware that until recently the actual foreclosure rate on houses this year had been somewhat less than last year's. I may not have the most recent statistics and the Minister of Municipal Affairs and Housing (Mr. Bennett) probably does. I can only say that was the way it was.

3 p.m.

As I answered for farmers, that again does not mean there are no problems; far from it. It does mean to some degree that the current slump in purchases of capital goods is caused by the fact that many people are putting off purchases that require cash outlays or time-payment commitments in order to maintain what they consider their most important priority, their home.

One can wish for a sudden drop in the rate and say it will not cause a massive outflow of Canadian capital or add to the massive outflow we already have. But the truth is money can move very quickly. The world we live in is not as regulated as the member would have it.

Mr. Philip: Supplementary, Mr. Speaker: Would the minister not agree that foreclosures do not give a true picture of the actual desperate situation we are facing? Many people, now recognizing they are going to lose their homes, are simply dropping off the keys and walking away from them. Would the minister be prepared to introduce legislation similar to the Mortgage Relief Act of the 1930s and prohibit foreclosures of houses and of farms until such time as interest rates drop and the situation remedies itself?

Hon. F. S. Miller: Mr. Speaker, I thought I had said a moment ago exactly what the honourable member started out with in his question—that it was not simply a measure of the situation on the basis of foreclosures. I accept that; I accept there is a major problem out there. As to the advisability of such a move or the fairness of it, I think one would have to look at it because again there are always two sides to every equation.

I mentioned in that emergency debate, as I recall, that perhaps five to 10 per cent of all outstanding mortgages are in the hands of banks and the balance is in the hands of other people. Banks are relative johnny-come-latelys to the mortgage market, as I am sure the member knows. I think the Bank Act was not changed until 1966 to permit them to be in that market. The banks have been a group that has not been consistently in that market because they find they can make more money in other places at

times and at other times they move back into mortgages. I would say trust companies and others have been much more faithful supporters of the mortgage market.

Most companies or individuals who lend money are not really anxious to take back real estate. They are anxious to have some agreement that allows the person to continue with his payments if they can work one out. I have a good deal of faith that is being done by many people.

Mr. Mancini: Supplementary, Mr. Speaker: If the Treasurer is concerned the sudden drop in the interest rate will affect the dollar, why does the Treasurer not move ahead by himself and use the funds available to the Ontario government to assist home owners, so they are not forced up against the wall; so they can keep their largest investment, their home; so they can keep the family intact; and so they can go about their jobs and try to make some semblance of family life? Does the Treasurer not agree the social costs associated with families losing their homes is going to be far greater than the actual loss of the home itself?

Hon. F. S. Miller: I do not know how one puts the cost of support for the mortgage sector in perspective. There are many billions of dollars out there. I think one has to recognize that this government does not have the kinds of resources or, quote, "the moneys available." It seems a bit ironic the honourable member should be asking me that question on the very day his leader is not only preventing supply but accusing us of being spendthrift to begin with.

Mr. Mancini: On a point of order, Mr. Speaker: The Treasurer has told the House his government does not have money to assist people facing high interest rates, yet it was his government that promised—

Mr. Speaker: Order, order, order. The member for Essex South will please resume his seat.

Mr. Sweeney: A question to the Treasurer, Mr. Speaker.

Mr. Speaker: Order, order. There was a party over here that I did not recognize. The member for Lincoln.

DELAY IN INTERIM SUPPLY

Mr. Andrewes: Thank you, Mr. Speaker. I have a question for the Treasurer. Can he help me advise my constituents who called on the weekend—we had several calls over the

weekend—as to which group of recipients of government cheques will be disadvantaged by the present delay in interim supply?

Mr. Mancini: What a nonsense question. Sit down, you trained seal.

Hon. F. S. Miller: I would say the trained seal on my side of the House talks a lot more politely than the trained seal on that side.

Interjections.

Mr. Speaker: Order. The Treasurer will address himself to the question.

Hon. F. S. Miller: Mr. Speaker, I do not know whether, in choosing to attack this government by the route he has done, the Leader of the Opposition (Mr. Smith) realizes what he is doing and how it can backfire on him. I think it needs to be pointed out that come this Thursday, for example, when some 75,000 employees of this government do not get their pay cheques, they will—

Interjections.

Mr. Speaker: Order.

Hon. F. S. Miller: One thing I have learned about the Leader of the Opposition—

Mr. Smith: You are the one who is depriving the people.

Mr. Speaker: Will the Leader of the Opposition please contain himself.

Mr. Smith: On a point of order, this is a set up question and perfectly obvious—

Interjections.

Mr. Speaker: Order. Will the Leader of the Opposition please resume his seat. Order, order. You are expressing an opinion.

Hon. F. S. Miller: I have learned that this gentleman is a great advocate of law and order until he is crossed, until the question seems to be hitting somewhere where it hurts him.

Can I answer the question, Mr. Speaker?

Mr. Speaker: Please do.

Interjections.

Mr. Speaker: Please address yourself to the question, Mr. Treasurer.

Hon. F. S. Miller: I am doing that right now. Each day this gentleman and this party prevent interim supply from being passed, there will be 15,000 OHIP recipients who do not get their cheques. There would be moneys flowing to hospitals and schools. As a matter of fact, tomorrow 650 farmers would have received beef assistance payments—

Mr. Smith: And you are to blame.

Mr. Speaker: Order. The Leader of the Opposition will have ample time in the resumed debate.

ONTARIO ENERGY INVESTMENT

Mr. Sweeney: A question to the Treasurer, Mr. Speaker: In view of the fact that Mr. Tom Kierans, the president of McLeod Young Weir, the consulting firm that analysed the cost and the validity of the cost for the Suncor purchase, is the same man who spoke two weeks later before the Ontario Economic Council and personally said he could not support such a purchase because of the way it was butchering, to use his term, our relationship with the United States, how can the people of Ontario have any confidence in a decision taken by this government influenced by a man who himself says he cannot support it? Does the government not recognize that is the very reason the public of this province and the members of this Legislature have a right to know the basis upon which it made that decision?

Hon. F. S. Miller: I happen to know whether Mr. Kierans supported Ontario's purchase. I also happen to know Mr. Kierans acted as a hired professional throughout that whole piece, to do certain duties and to give us an opinion on certain things. He did them with eminent skill. What Mr. Kierans says in his own speech is his own business.

Mr. Sweeney: Supplementary, Mr. Speaker: In that same speech Mr. Kierans said the people of Ontario would not support this deal if they knew the cost. Does the Treasurer not believe if the people of this province are going to support his government's decision, they have to know what the cost of it is?

3:10 p.m.

Hon. F. S. Miller: I think the member has misread something in the speech. I have not read the full details of the speech, but it is my understanding that he talked, not specifically about the Suncor deal but in general about the kinds of purchases by Canadians of assets that belong to other nationals at this point in history. He did not say Suncor was a bad deal and he opposes it; that is the insinuation the member is trying to put on it.

Interjections.

Hon. F. S. Miller: I would argue that the letter the member has tabled before him clearly states the professional assessment and opinion, not only of Mr. Kierans, but of his company, which we asked to do this work.

Mr. Wildman: Supplementary, Mr. Speaker: Will the Treasurer tell us whether Mr. Kierans recommended the purchase as a professional?

Hon. F. S. Miller: Mr. Speaker, I never tell anybody what advice I get. One of the great things about advice is, if one is able to give it to somebody knowing in full confidentiality that one's name will not be tied to it either pro or con later, one gets free advice; but if it is quoted all around the world, one gets no advice.

GREAT LAKES HYDRO RATES

Mr. Wildman: I have a question for the Deputy Premier, Mr. Speaker. Can the Deputy Premier tell us if the government is satisfied that the 21 per cent rate increase for electricity consumers in Algoma and Sault Ste. Marie announced this morning is justified in view of the 10.3 per cent increase in hydro rates and the high interest rates charged to Great Lakes Power? If so, would the Deputy Premier agree with the statement made to me this morning by Mr. Harris, the manager of Great Lakes Power, that this is an example of high interest rates fuelling inflation rather than lowering it?

Hon. Mr. Welch: Mr. Speaker, I am not familiar with the circumstances surrounding the question. I will make myself familiar and perhaps be in a much better position to give an intelligent reply.

Mr. Wildman: Supplementary: Surely, as Minister of Energy, the minister is aware that Great Lakes Power has discussed this with Ontario Hydro and has to get Ontario Hydro's approval. If that is the case, does Great Lakes Power have Ontario Hydro's approval for a rate increase? If so, is this an adequate increase or is it too much? Surely the minister knows something about what Ontario Hydro has had to say about it.

Hon. Mr. Welch: Mr. Speaker, Ontario Hydro has not consulted me about this particular matter, and I will simply repeat my answer to the main question. I will make myself familiar with the situation and give the honourable member a reply.

ONTARIO ENERGY INVESTMENT

Mr. Peterson: Mr. Speaker, I will ask my question of the Minister of Energy since the Treasurer (Mr. F. S. Miller) is not here. The viability of the Suncor deal depends upon Suncor's Canadianizing 51 per cent of its shares, thereby qualifying for the tax concessions in the national energy program, and the price break

offered by these concessions is, as I know the minister will understand, a federal tax expenditure, 40 per cent of which Ontario taxpayers will pay for. Is part of the McLeod Young Weir study, or the mystery report that the government will not show us, consideration of the cost of additional taxes from Ontario taxpayers needed to pay for the tax breaks Suncor hopes to qualify for?

Hon. Mr. Welch: We are quite satisfied that all the relevant information was taken into account by those giving us some advice respecting the purchase price. The implications of the national energy program and policy were very much part of that particular consideration. It was very essential that we satisfy ourselves as to the implications of that program and that policy with respect to that company before we completed our transactions at this stage.

Mr. Peterson: Supplementary, Mr. Speaker: Given the fact that the government indicated some concern about doing studies of so-called tax expenditures and the macroeconomic effects of certain actions on the Ontario economy, what effect will this purchase have on the Ontario economy in terms of money going out of the economy, jobs coming back in and taxes lost through transfers to the federal government, which will go to other areas of the country under the equalization laws? How much will be drawn out of this province as a result of this expenditure?

Hon. Mr. Welch: Mr. Speaker, I think it is very important to understand that the Canadianization process is essential in order to have access to these incentive moneys. It is also quite obvious that this company would not do the exploration without the incentives these moneys will provide. That is why, from the standpoint of the security and expansion of our supply, it was important for us to be identified with the Canadianization process.

Under the circumstances I would think that, rather than dwell just on the question of the new jobs created, we might well think of the jobs that are protected and of the economy, which is going to enjoy that particular limit of involvement because we are doing something, addressing ourselves to this whole question of the provision of these supplies in this way.

I think it is important to recognize that over a year ago we stood in this place and told the opposition that as far as we as a government were concerned we wanted the Ontario Energy Corporation to play a very important role in the

whole Canadianization process. This is not new. This is why that policy statement is part of the compendium that was filed at the time of the Premier's statement.

Mr. Wildman: Supplementary, Mr. Speaker: Can the minister indicate whether McLeod Young Weir was asked to look only at the price of 25 per cent or whether it was also asked to look at the cost of a 51 per cent purchase in order to Canadianize the company?

Hon. Mr. Welch: Mr. Speaker, this is another way of restating the question that was asked earlier by the leader of the New Democratic Party. At that time I made it quite clear that at no time were we talking about the acquisition of 51 per cent; we have always talked in terms of this block of 25 per cent.

Mr. Speaker: A new question, the member for Etobicoke (Mr. Philip). The member for Beaches-Woodbine (Ms. Bryden).

Mr. J. A. Reed: On a point of order, Mr. Speaker: If one of the respective parties misses its turn, does the turn not move across?

Mr. Speaker: Nobody missed his turn.

CHILD RESTRAINT DEVICES

Ms. Bryden: Mr. Speaker, I have a question for the Minister of Transportation and Communications. Since the House adopted a motion two and a half weeks ago in favour of legislation to make child restraints mandatory, will the minister tell us how long he is going to continue to leave Ontario children at risk when travelling in automobiles? When will he bring in legislation to protect our youngsters?

Hon. Mr. Snow: Mr. Speaker, I fully expect that all the federal regulations and standards will be ready by this fall or early next spring. I intend to recommend to my colleagues in cabinet next spring that that amendment be included in the Highway Traffic Act.

Mr. Speaker: The time for oral questions has expired.

MASSEY-FERGUSON

Mr. Cooke: Mr. Speaker, I have a point of privilege. It relates to a debate that took place in this Legislature on May 25, 1981, concerning Massey-Ferguson. At that time the Minister of Industry and Tourism (Mr. Grossman) said the following: "For those members of the assembly who have been concerned about the contents of those agreements, I can assure all members those agreements will be tabled in this Legislature upon completion."

As I understand it, the negotiations have been completed and there are agreements signed. If that is not so, perhaps the minister should indicate that to the House; if the agreements are signed, I would like to know when the minister is going to fulfil his commitment to this Legislature and table those agreements. I have tried on four occasions to get the agreements from the minister and have not received them as of today.

Hon. Mr. Grossman: Mr. Speaker, as I understand it from the federal side, the federal government is currently working through the same process we are to make sure that the information is in a form in which it can be tabled. I am also informed that that should not be very much longer at either the provincial or the federal level. As the honourable member is aware, it also involves clearance from all the lawyers involved, including those acting for the province and those acting for Massey-Ferguson.

3:20 p.m.

Mr. Cooke: The minister is contradicting what he said in this House during the debate, which was that the agreements would be signed by mid-June and that was why the legislation had to be rushed through this Legislature so quickly without our getting the background material that we requested. Is the minister saying that even though there were 600 layoffs last week and that company is still in trouble, there is no agreement signed as of today? If there is a signed agreement, will he table it?

Hon. Mr. Grossman: No. I presume the member understood, because he was showing so much interest in it, that the agreement was signed in late June or early July. What has been done subsequently is an attempt to make sure that the information is in a form in which it can be tabled. That is what I said a moment ago. There is obviously a great deal of information contained in those documents that would put this firm at a severe disadvantage in terms of its international competition.

I presume the member would share with me the very great concern that this firm—which obviously has a competitive situation, a competitive problem—does not want to have to disclose information that its competitors do not have to show to all of their competitors.

Mr. Cooke: Why can't we get the agreement? You tabled the Ford agreement.

Hon. Mr. Grossman: Because the Ford agreement did not contain anywhere near the information, quite obviously, that the Massey-Ferguson agreement contains. The Massey-

Ferguson agreements were with about 300 people. The Ford deal was with three parties. It is obvious there is a great deal of information. I know the member will share with me and Massey-Ferguson the concern that we only make available to its competitors that information which is appropriate and needed in terms of scrutiny of the agreement, and not place the company in a disadvantageous competitive position. That will be available very shortly.

BUSINESS OF THE HOUSE

Hon. Mr. Gregory: Mr. Speaker, prior the orders of the day, I wish to inform the House that we will be resuming the adjourned debate on the government motion. Should that debate not be concluded by 6 p.m., we will resume sitting at eight o'clock and sit until 10:30 p.m. this evening.

ORDERS OF THE DAY

INTERIM SUPPLY (continued)

Resuming the adjourned debate on the amendment to the motion that the Treasurer of Ontario be authorized to pay the salaries of the civil servants and other necessary payments pending the voting of supply for the period commencing November 1, 1981, and ending March 31, 1982, such payments to be charged to the proper appropriation following the voting of supply.

Mr. Smith: Mr. Speaker, I would like to begin by making sure that the people of Ontario have this telephone number, which is 965-6361.

This is the number of the Treasurer of Ontario (Mr. F. S. Miller). Before he and his colleagues begin to let everybody know that we might somehow or other prevent their cheques from coming in the mail, I would say that it is the Treasurer of Ontario, my friends, and only the Treasurer of Ontario who is preventing the cheques from going through.

The moment he is willing to play an honest game with this House, the moment he is willing—

Hon. F. S. Miller: On a point of privilege, Mr. Speaker: I do not think that is parliamentary language.

The Deputy Speaker: I am sorry, Mr. Treasurer, I missed the discourse.

Mr. Smith: The moment the Treasurer is willing to be honest with this House and to table in this House the information upon which the Suncor deal was made—

The Deputy Speaker: Order, please. In terms of parliamentary language, and under the standing orders, I cannot emphasize to the Leader of the Opposition (Mr. Smith) more that his phrase in terms of reference to the Treasurer's honesty is out of order. Would he be so kind as to consider a retraction?

Mr. Smith: I am saying if he will be more honest with this House and if he will table the facts upon which the Suncor deal was consummated, then the cheques will go through. In the meantime we will let anybody who wishes know—including the stooge who was set up to ask the question earlier, the parliamentary assistant to the Minister of Energy, the member for Lincoln (Mr. Andrewes)—the number of the Treasurer of Ontario, because it is the Treasurer alone who is preventing the cheques—

The Deputy Speaker: Order, please. We have a point of order from the member for Lincoln.

Mr. Andrewes: On a point of personal privilege, Mr. Speaker: I think the honourable member has referred to me as a stooge. I would ask him to withdraw that comment. If he were so kind as to act on the part of his constituents and to ask questions of the Treasurer that were direct and accurate, I think he would find himself in much better order.

The Deputy Speaker: I say again to the member for Hamilton West (Mr. Smith), I do have some problems with that. I recall an earlier ruling when the Minister of the Environment (Mr. Norton) made reference to the term "twerp," and now I have difficulty with your reference. Under the circumstances, I will leave it to the good judgement of the honourable member if he feels that is parliamentary or not.

Mr. Smith: Mr. Speaker, I offer the member the phone number to give to his constituents. If he wishes to inform his constituents accurately, he will give them the Treasurer's phone number because he is the one who is preventing the cheques from going through.

Having done that, we will keep it handy. Whether or not the member for Lincoln is a stooge, I believe it was a set up question designed to try to help the Treasurer and the Minister of Energy (Mr. Welch) get across to the people of Ontario an impression that somehow or other we are heartless people preventing succour from going through to those who need it, milk from being delivered to babes in arms, heat from being delivered to the apartments of the elderly, when the simple fact is there is only one party here that is preventing the cheques

from going through. It is the Treasurer of Ontario who will not table the truth in the House and will not let the people of Ontario know the facts. If I may proceed—

Interjections.

The Deputy Speaker: Order, please. I would like to remind all members that the member for Hamilton West does have the floor, notwithstanding some of his provocations. If we could hear the member for Hamilton West.

Mr. Robinson: Mr. Speaker, on a point of order: Are we now to take it that the Leader of the Opposition has responded to your request for good judgement related to his unfortunate comment about the member for Lincoln?

The Deputy Speaker: I do not find that a point of order. I heard the member for Hamilton West question his own specific statement in terms of the phrase he used to the member for Lincoln.

Mr. Smith: Mr. Speaker, we in the opposition are being seriously provoked by the kinds of statements that are being made by the government, day after day, allegedly in its effort to defend itself on Suncor but really in its effort to hide the facts.

Earlier, the Minister of Energy stood in this House, for instance, and said: "We told you earlier. We told you back when I made a statement in the Legislature about my energy program that we were going to get the Ontario Energy Corporation into helping the Canadianization program."

That is why we got the pile of garbage that he referred to as the compendium, just some old propaganda releases. That is why he says that was really the compendium upon which our policy was based. The simple fact is, and the Minister of Energy knows it if he would look at that statement, there is nothing whatever in that statement to imply that.

The statement makes it clear they are trying to assist Canada, not in achieving ownership of the oil companies but in achieving oil self-sufficiency. That means that the oil used by Canada will be produced in Canada. There is absolutely nothing in a purchase of 25 per cent of the shares of Suncor that is going to guarantee, in any way, more oil from Suncor for Canada than would otherwise be the case. There is nothing here to indicate a purchase of an oil company; the entire statement is based entirely on substitution for oil, and that is where the money should be going, instead of out of the province and out of the country into the pockets of shareholders in Pennsylvania.

3:30 p.m.

We are indeed finding ourselves in a situation where we are being provoked daily. The Premier (Mr. Davis) played fast and loose with the truth when he said Price Waterhouse and McLeod Young Weir had determined the purchase price was a good investment for Ontario. How can that purchase price be a good investment for Ontario? If the honourable members think about it they will realize he was playing with words, because there was nothing in the McLeod, Young, Weir study we have seen—at least the summary that has been shown to us; we have not seen the study—to indicate it was a good investment for Ontario. All that was indicated was that the price was, roughly speaking, what one would expect to pay if one wanted to buy those shares, period. There is nothing there to imply it is a good investment.

One can always say that paying a fair price for anything is a better investment than paying a bad price for anything, and I suppose in that sense one could argue that the Premier was telling the truth when he said McLeod Young Weir said the purchase price was a good investment for Ontario. But in any reasonable sense there is nothing whatever in the McLeod Young Weir summary of the study to indicate it was a good investment for Ontario. That surely is of paramount importance, because the people are being hoodwinked into believing that very important brokerage houses, very important accountancy houses, are standing behind this deal and think it is a terrific investment.

No such statement was ever made by either McLeod Young Weir or Price Waterhouse. All we are told is that they said, "If you want to buy 25 per cent of the Suncor Company, then this is, roughly speaking, what it is going to cost you," period. There is nothing to say it is a good buy or a bad buy.

I think the Premier and the Treasurer have been trying to lead the people of Ontario to believe their purchase is somehow backed by the seal of approval of important brokerage advisers, when nothing is further from the truth. That is why we want to see the actual study tabled.

The Treasurer says there is certain highly confidential information. He says there is information we would not want competitors of Suncor to have. Not long ago he was saying the reason for the purchase was that we in Ontario would have a window on the industry. No sooner does he obtain a window than he puts up the shutters. What kind of a window is it that

does not allow us to look at anything? This is what we have from the Treasurer of Ontario, sadly—a lame and feeble excuse.

Suncor was willing to give this information to about a dozen separate private companies that were looking to buy its shares. Suncor has been trying to peddle those shares for a long time. So the same information Ontario has, presumably Suncor would have been delighted to give to any of those private companies, many of which would be under no obligation to keep it secret. In fact, they might even be competitors of the company in various forms.

It is the sheerest nonsense to expect us to believe Suncor has information its shareholders should not know. Surely the shareholders of a company have some right to know the value of the company's assets, what its prospects for the future are, what kind of value the company is putting on the leases it holds, how it values its assets, what it thinks the future holds for the company. Surely the shareholders have a right to know these facts.

What is being hidden from us is nothing really of great importance to Suncor from the point of view of its having to be kept confidential. What is being hidden from us is information that might be embarrassing to the government of Ontario.

Whereas the Premier led us to believe the stamp of approval of this purchase has been put on by certain prestigious financial houses, all they did was to say, "Look, if you happen for some reason or other to want to buy a wool suit of such and such a fabric, such and such a nature, such and such a fashion or style, then our investigation implies that the price you have to expect to pay is \$500 or \$600."

There was nothing saying that you need a suit, nothing saying that these suits are going to go up in value in the future, nothing saying that if you have to borrow the money at 17 per cent you might be wise to do with last year's suit, nothing saying that you might be better to buy something else in your wardrobe.

All they said was, "If you are determined to buy the damned thing then we will tell you what the price ought to be within a reasonable ball park." That is all; nothing else. Yet the clear implication was that they tried to dress themselves in the finery of having made a decision which somehow or other has the support of financial experts when it has no such thing. That is why they do not want us to see the whole report.

Earlier today the Minister of Energy rose and

answered a question by my colleague the member for Kitchener (Mr. Breithaupt). He said that he believes we are going to get 15 per cent on our money. Nowhere is there anything to indicate the basis for that statement.

Why should the people of Ontario, who are going through a very difficult time, have to have their deficit increased by some 40 per cent—that is just for the first half of the deal—and then have to pay interest on borrowings of another \$325 million, which will come either from Suncor or from rich Ontarians, so that one way or another we will have to pay interest to one or the other?

Why should the people of Ontario have to do that and accept the glib assurance that we are going to get 15 per cent on our money without a single, solitary fact to back it up? If the opposition means anything in a democracy, that is something we cannot swallow just to please the Treasurer.

The irony in all of this is that the Treasurer is against the deal. Maybe he has forgotten that, since he has to look at himself in the mirror every day and ask himself why he receives a cheque as Treasurer when all he is is a glorified messenger boy for the Premier. He is not running the economy, and he knows it. But he is here, and he feels that for cabinet solidarity and for the solidarity of his own bank account he has to pretend to be the Treasurer when he has little to say about the major economic policy of this province at this time.

This is the major investment. It has increased his deficit at a time when he has been prattling on to the federal government about decreasing deficits. This has done all the things he says should not be done. And, worse than anything else, it has not even been deficit financing for the purpose of stimulating Ontario's economy. At least if they spent \$1 on fuel alcohol in Ontario or, for that matter, on buying cabbages in Ontario, that \$1 then would be translated into economic activity equivalent to maybe \$2 or \$3, and some people would even say \$3 or \$4, of economic activity.

But what a fat lot of good it is going to do Ontario to take all this dough and throw it out to a company in Pennsylvania to be able to get hold of some tar sands in Alberta. The money will not circulate through Ontario; it will do absolutely nothing for the people of Ontario; it will not guarantee so much as a barrel of secure oil supply; it will not create a job.

Yet the Treasurer feels that somehow we should just roll over and play dead, and if we do

not then he is going to threaten us, he is going to blackmail us, by telling pensioners that the Leader of the Opposition is preventing them from getting their pension cheques. Rubbish! All he has to do, if he wants pensioners to get their cheques, is to table the truth in the Legislature. That is all we are asking him to do.

Look at what comes out this very day, because it was discovered by the press and they could no longer suppress it—although at least they succeeded in getting through the estimates of the Ministry of Agriculture and Food without that poor minister having to answer questions on a complex topic with words that probably would be difficult for him. This report comes out, Energy and Agriculture, which shows clearly that we will face a crisis in agriculture in the next few years unless we can get ourselves off our dependence on oil.

3:40 p.m.

Mr. Speaker, I am going to be leaving the leadership of this party; everybody is aware of that—

[Applause.]

Mr. Smith: I am flattered by the fact that the members opposite are happy about that. I can understand why they would be happy about that, believe me.

Mr. Breagh: They're not as happy as your guys are.

Mr. Smith: Maybe some of the people here are happy about it too. I have to concede that.

An hon. member: We are happy, too, Stuart.

Mr. Smith: My friend is happy too? I am flattered by my friends in the New Democratic Party as well. Unfortunately, there are even a few people in my party who are happy. I do not understand that, but that is for another day.

Mr. Speaker, it will be remembered that for the past several years I have gone up and down this province, and so has my colleague the member for Halton-Burlington (Mr. J. A. Reed), saying that we should put our money into fuel alcohol and that by so doing we would substitute that for expensive oil, which will be increasingly scarce and increasingly more expensive as the century draws to a close.

Mr. Philip: You said that a long time ago, and they didn't listen to you.

Mr. Smith: Many years ago, and they did not listen to me. The fact of the matter is that some of their own civil servants and other advisers finally are saying the same kind of thing.

Where are we going to get the money for this?

The grand total of their efforts to try to get on to fuel alcohol in our farm sector consists of two farmers, each of whom has a still on his land and neither of whom is producing any alcohol in substantial quantity; one is producing nothing and the other is just still fooling around and testing the thing.

That is just shameful. Then they take \$650 million, and with interest it will amount to money in the billions, and spend it on something that will do absolutely nothing to replace oil in Ontario.

It is really astounding to have to stand here day after day and say to the government, "How could you make that kind of a deal?" I had lunch today with a person—I will not say who it was, but it was a very highly placed person in the financial district of Toronto—who was simply flabbergasted and said, "Why has he done it?"

I get that question everywhere I go. Everybody says: "You are perfectly right in opposing it, Stuart. Carry on. Fight on. Fight on hard." But the question that is mystifying everybody is, why? Why would the Premier do this when Ontario has so many desperate needs here at home: needs in the farm implement industry, needs in the auto industry, needs in the auto parts industry, needs in the mining machinery industry, needs in the agricultural industry itself, needs among our home owners, needs for our health services, needs of every conceivable type and description, including the need to produce our own fuels to get off oil?

Everybody is asking, "Why would he want to take money we do not have, to borrow it at the highest interest rates in Ontario's history, to buy a share of an Alberta company?" It is the mystery of the year. Nobody can understand this.

When people say that they do not understand how the Tory caucus approved it, I want my friends in the Tory caucus to know that I stood up for them. I pointed out that the members of the Tory caucus were the last people to find out about this deal. Barnacles on disused ships have more influence on the rudder of those ships than these people have on the way policy functions in this province.

"Okay," they say to me, "maybe the Tory caucus was kept in the dark. But how could the Tory cabinet, many of whom are fine, upstanding individuals"—there I had to demur a bit, but let us accept that was their view—"how could they approve of this?"

I stood up for the Treasurer; I pointed out that the Treasurer was dead set against it. And I

pointed out that the rest of the cabinet, with the exception of three other ministers, did not know a thing about it. Until the Premier stood to talk in this House, the rest of the cabinet knew nothing about the deal.

After being in power for close to 40 years—it will be more than 40 years prior to the next election being called—I realize that the Tories can be forgiven a little for believing “l’état c’est moi.” I can understand that they might have that feeling. But I remind them that these little deals that Malcolm Rowan has set up for himself—boy, he is set for life now!—these little deals on which he has advised, all these marvellous little purchases are not being made with the Treasurer’s money.

I hate to inform the Treasurer of this, and I realize it will come as a shock to him, but it is not the Treasurer’s money. It is the money of the ordinary citizens, the working people of Ontario. They have a right to know what it is he is doing with the money and why, in heaven’s name, he decided to do it.

We are in the opposition here, but we are all members of the Legislature. In fact, even the back-benchers over there are members of the Legislature. They are individuals; they do not act that way, but they are individuals.

It is in the time-honoured tradition that, before Her Majesty can be granted supply, Her Majesty’s loyal subjects have a right to ask for redress of their grievances. This is in the time-honoured tradition. In fact, there is no reason to suspect, simply because someone wears a particular party label, that they may not themselves have some grievance for which they seek redress at the time that Her Majesty wishes to have supply granted. It is one of the most ancient traditions in parliament. It antedates the party system. It goes to the very heart of what being a representative is all about.

So when they try to say that somehow we are just playing games or that this is some kind of filibuster or something like that, we are not using those terms. There are no games here. If the Treasurer can spend \$1 billion of the taxpayers’ money and simply turn up his nose when the taxpayers’ representatives ask for even the most rudimentary facts upon which that investment has been based, then he is taking for granted, first of all, the support of his own back-benchers. Even though they may give the Treasurer that support, they ought to be given the respect of recognition that they have the right, if they so desire, to vote differently once the supply matter comes to a vote.

Simply to assume that this is some kind of game being played is quite wrong. We are doing the only thing the opposition can do. I know members of the Ontario Public Service Employees’ Union, for instance, will be very concerned about whether they are going to get their cheques, but do not tell me to stop doing my job; tell the Treasurer to start doing his job.

We are told that this compendium we were given is somehow or other the real compendium, but in response to our questions two letters are produced that were not included in the original so-called compendium, this pile of garbage that we were given. These are two letters that somehow escaped being in the compendium. I would love to know the reason for that. After all, this was the compendium, and surely those two letters should have been included. The two letters were left out; however, they found their way to us the other day once we stood in the House and said we would not allow supply to pass.

These two letters to which I have made reference are from McLeod Young Weir Limited and from Price Waterhouse Limited, but it is very interesting to look at the dates of those letters. The date is October 13 on each of them. October 13 is the day the Premier stood in this House to make his announcement, and yet the letter from McLeod Young Weir says it is a covering letter and “appended hereto” is a report which simply says the price is as follows and the price is appropriate or whatever.

On that same day, October 13, there is also a letter from Price Waterhouse saying they have studied the McLeod Young Weir report and from the point of view of tax policy and so on and so forth they feel that, based on McLeod Young Weir’s facts and figures, they have no reason to dispute the price, which McLeod Young Weir says would be appropriate.

I ask the Treasurer how this happened. If the government just received the report appended to the letter of October 13, how could they have sent it over to Price Waterhouse, and how could Price Waterhouse have studied it and issued its study of the report, all on the same day and all in time for the Premier to rise in the House at two o’clock to read a statement? Patently, it is impossible.

3:50 p.m.

Patently, the so-called covering letter was not really a covering letter or, if it was a covering letter, it was simply window dressing, because the report obviously must have been available and perused much earlier and sent to Price Waterhouse much earlier.

The letter was a contrivance designed basically to have something to throw to the opposition if it kept hounding them for a compendium. It was not in the original compendium. It was not in anything that came to us subsequent to that.

Finally, when we stood and blocked supply the other day, they threw us a bone of these two letters, which obviously have been contrived for the purpose of having something to toss as a bone to the opposition. The simple fact is that the actual reports themselves are still being kept secret and for no good earthly reason.

Furthermore, it is said that Mr. Rowan or the Ontario Energy Corporation signed a deal with Suncor—remember that—saying the information received would be kept confidential. What bloody right did the Ontario Energy Corporation have to sign a deal saying the Legislature of Ontario will not see the facts in this case?

Upon whose ministerial authority did some character from the Ontario Energy Corporation make a decision? The Ontario Energy Corporation does not earn a single red cent. Every penny going into this deal comes from the pockets of the hard-working people of Ontario. What right did the Ontario Energy Corporation have to sign a form saying they would keep all this confidential?

I say that form should be tabled in this House. We should see who signed it, with what authority and on whose legal advice. There is no binding nature to that. What lawyer, for instance, will rise to say that, just because the OEC has signed this particular document saying the matter will be kept confidential, that binds the government of Ontario as a matter of public policy from letting the people in on the facts?

There would be absolutely no lawyer who would say the servant can bind the master. In fact, that very caucus got upset when, in human rights legislation, it was thought for a moment that the master might somehow be found in some way responsible for what the servant had done. Yet here they are trying to tell us their hands are tied. They want us to believe they are not allowed to let us have those facts because the OEC, a creature of this government, has signed a form. It has no binding validity in the Legislature of Ontario.

Those facts could be given to us. What right does Suncor have to say to the people of Ontario: "Send us your money, but keep your prying eyes out. Be our shareholder, but we do not want you to know what the company is

really worth"? What company will keep the true fact of its real worth and its real prospects from its own shareholders?

Unfortunately, the Treasurer and the Premier have deluded themselves for so long that they are Ontario, that the Progressive Conservative Party and the government are somehow or other synonymous with Ontario itself. They have deluded themselves and have been encouraged in that delusion by the sheeplike behaviour of so many voters around Ontario.

Hon. F. S. Miller: Oh, ho! That sounds very much like Sault Ste. Marie.

Mr. Smith: The Treasurer can say what he likes, but the Tories sure do not believe now that they did the right thing. They sure do not believe now that they did anything they are proud of.

Mr. Breithaupt: That is what Kinsella said: Sleep-walking, just like sheep.

Mr. Smith: They were sleep-walking. That is exactly what they were doing. That is because he was playing tunes on the television to help them tick-tack-toe on their way.

Hon. F. S. Miller: You don't have much confidence in the average intelligence of the people of Ontario.

Mr. Smith: I have great confidence in their intelligence; that is why I want them to know the facts. The Treasurer says we do not have confidence in the people, and he is the one who will not share the facts with them. Who can have more confidence in the people than I when I say, "Share the facts with the people"? He says: "No, we cannot trust them to know the facts. We must keep it secret."

All the honourable members in this House know there is no reason in the world why the people of Ontario, who are now becoming shareholders in Suncor, should not be told the real value of their shares.

Hon. F. S. Miller: It is there.

Mr. Smith: It is not there. We want the analysis that was done with our money. We paid \$250,000 to some financial advisers to ask for their advice and the government will not let us see their advice.

Hon. F. S. Miller: You saw their advice.

Mr. Smith: I am sorry. The Treasurer says we have seen it. We have not seen the report. We have seen a letter that purports to be a summary but gives no advice whatever: it does not recommend purchase at all and only says, "If you are bound and determined to buy the

damned thing, this is what you are going to have to pay." It says nothing more than what the price ought to be once the government has determined to buy it. It says nothing else. There is no recommendation at all.

Why should the working people of Ontario, who are having trouble meeting their mortgage payments and trying to keep up with inflation, and the farmers who are having difficulties, have to spend billions of dollars for a share of an oil company when it was not recommended as a purchase?

Nobody said it should be bought. It was dreamt up strictly by the Premier and Malcolm Rowan and by no one else. It was pushed through without even telling the majority of cabinet members and no caucus members at all on the government side.

Why should the facts be withheld from the Legislature of Ontario? Why should we in the Legislature not have the fundamental numbers that lead the Treasurer to reassure the people that he is going to make 15 per cent a year on that investment? Even if he makes 15 per cent on that investment—and he refuses to give us a basis for that belief, which may be nothing but a fiction—he is going to have to pay 17 per cent for the money. Even in Santa's Village, for heaven's sake, if one has to pay 17 per cent for the money and one gets only 15 per cent in return, it is not much of a business deal.

Conceivably there is a good business basis for this deal, but we are not shown it. At first, we were told McLeod Young Weir and Price Waterhouse thought it was a great business deal. There is no such recommendation at all. That is fictitious.

Let us see the facts. The purchase was not based on the so-called compendium. Nothing at all in the compendium would even give a clue that there would be the slightest interest in Ontario in using scarce or borrowed resources to ship the money to Pennsylvania to buy an interest in a company whose resources were outside Ontario. There was nothing in any of that compendium.

We are given the letters and told they represent somehow or other the view of McLeod Young Weir and Price Waterhouse, and yet there is nothing in those letters recommending the purchase at all. There is nothing in the letters indicating why they think they are going to make 15 per cent on their dough, and there is certainly nothing to indicate why they feel 15 per cent is a good return when it is going to cost 17 per cent.

There is nothing to indicate where they are going to borrow the additional \$325 million, or out of what earnings they intend to finance the interest on that. There is nothing to indicate whether they are going to use dividends to finance that interest.

The simple fact is that the people—

Interjection.

Mr. Breithaupt: Does the Minister of Education (Miss Stephenson) know anything about the deal?

Mr. Smith: The Minister of Education is a great expert on all these matters. We are very well aware of the expertise she has in matters of Suncor. She was one of the cabinet ministers kept totally in the dark. When the Premier stood up to speak of this matter, she was as surprised as anyone else in this House. As it happens, keeping her in the dark was not a bad experience. Since she is there so much, she has accommodated to the dark by now. However, the simple fact is that she and most other cabinet ministers knew nothing of this deal, nothing whatever.

4 p.m.

I am about to take my seat and allow someone else to express a view, but I say there is absolutely not the slightest justification for this government to withhold the facts from the people of Ontario. It is our money. We worked hard for that money. We will have to pay for that money and the interest in perpetuity. We have a right to know what we have purchased. We have a right to know why it was purchased for us. We have a right to know why the government believes we can afford it and how they intend to pay for it. And we have a right to know what the genuine earnings are going to be and what the basis for that belief happens to be. We have a right to the facts.

We in the opposition have only one thing we can do to try to petition for redress of our grievances, and that is to withhold supply from Her Majesty. However, the only people who are truly withholding money from the pensioners or the civil servants who may need their money by the time Thursday rolls around, the only people withholding that will be found on the government benches.

Hon. Miss Stephenson: It's your fault.

Mr. Smith: This is their phone number if people want their cheques.

An hon. member: Tell the truth.

Hon. Miss Stephenson: Honesty is not within you.

The Deputy Speaker: Order. We are having difficulty in terms of the comments made by the member for Wilson Heights (Mr. Rotenberg) while he is not in your seat. I would like to bring all members to order in terms of that request from the chair.

Mr. Bradley: He should get back to his own seat.

Mr. Smith: There was a reason the member for Wilson Heights was put at the very end of the House, and now we know what the reason is.

Mr. Rotenberg: I was put in the front row, which is where you will never be.

Mr. Smith: His seat is the closest one to the street. They cannot push him out any farther.

Mr. Rotenberg: But you are the one who is leaving.

The Deputy Speaker: Order. The member from Wilson Heights; that's twice, understood?

Mr. Smith: Let me conclude simply by saying that the cheques, the money and Her Majesty's supply can and should flow again in Ontario, and will do so when the government is willing to share with the people of Ontario the basis upon which they have spent billions of dollars of our money, money of the ordinary citizens of Ontario. We deserve to know the facts, and we in the opposition would be derelict in our duty if we did not stand in this House and demand that those facts be tabled for the people of Ontario.

Mr. Wildman: Mr. Speaker, I rise to participate in this debate on the amendment to the motion on behalf of the New Democratic Party. I want to indicate at the outset that are in support of the amendment proposed by the member for Hamilton West. I want to explain the reasoning for that. I will attempt not to be as repetitive as the previous speaker has been and perhaps not speak as long.

Hon. Miss Stephenson: That'll be a switch.

Mr. Bradley: You started off all right; now you are getting a little sanctimonious.

Mr. Nixon: Try to be half as interesting.

Mr. Wildman: Although I hope not to be as repetitive or to speak at such length—

Mr. Smith: You are already repeating yourself.

Mr. Wildman: —I do wish to say that does not in any way reflect upon how important we feel this debate is and how unfortunate we feel it is that the government, for whatever reasons, left it to the eleventh hour to come before the House for supply.

We have some objection to the fact that the day before the government is to run out of its finances it presents a motion to the House and then has the effrontery to say to the members of the opposition they must not speak at length on this motion because we are going to run out of funds. Surely the responsibility of all members of the House is to express their views on as important an issue as supply. The fact it is considered a confidence matter is a reflection of the importance of this kind of a debate and members' responsibilities in it.

One of the main reasons we support the amendment is that we cannot accept that this House must, in almost a cavalier fashion, vote supply for the length of time the government was requesting.

Mr. Rotenberg: Where is the Leader of the Opposition? He was so interested in this and now he has left the chamber.

Mr. Wildman: Mr. Speaker, in response to the interjection from the member for Wilson Heights, I do not think the absence of a member necessarily indicates complete disinterest in a debate. If that were the case there would be a lot of very disinterested people as members of the House.

Mr. Samis: There are nine Tories out of 70. That is quite impressive.

Mr. Wildman: However it seems to me when we are going to vote on the budgetary philosophy at the end of December—the budgetary direction of the government as it was presented last spring, although it has now changed with the purchase of Suncor—it is a little ridiculous for us at this time to be asked to vote to the end of the fiscal year the moneys this government wants in order to carry out its budgetary responsibilities.

For that reason, we support the amendment which would limit the supply to the end of December. There is nothing to prevent the government, of course, from coming and requesting supply again before the Christmas break, which is what we anticipate. Then the members of the House would again have the opportunity to express their views on the performance of the government and on whether or not they should be voted the moneys they require. That is the main reason we support the amendment.

Obviously, there are other things we must speak to in this debate. That is what I referred to a moment ago as the budgetary philosophy of this government. Last spring the Treasurer told us he wanted to keep his deficit below \$1 billion.

For that reason he justified, in his view, the increase in personal income tax rates and the increase in Ontario Health Insurance Plan rates which led to a situation where an ordinary family was paying about 80 per cent of the federal tax rate.

At the same time, the government said they were unable to increase or even to maintain social spending at levels that would be adequate to deal with major social problems faced by residents of this province. Almost nothing was said in the budget address at the time it was introduced about interest rates or the housing crisis we face. At that time, and since that time, the government has argued that those issues are issues that must be dealt with by the federal government. They are federal responsibilities, and this government does not want to get involved and is unwilling to spend any money that way.

Much as we rejected the philosophy behind that budget we were able to understand, from an adversarial point of view, the argument that if the government wanted to maintain its deficit below a certain level it would increase certain types of taxes to increase revenue. At the same time it would not want to increase spending in other areas. We did not accept it but we understood it.

We objected very vehemently, as all in the House know, that the weight of the government's taxation and the vast majority of its revenue was coming from the ordinary taxpayer. We also objected that the government added to that by the ad valorem tax on gasoline, which the Treasurer said was needed to finance government operations. Later on, when the energy pricing agreement was reached, the Treasurer made statements to the effect that the additional revenue that was accruing to the government through the ad valorem tax was needed in order to face the problems of inflation and increased fuel prices.

4:10 p.m.

Although we objected to it, it did seem to fit in with the philosophy of that overall budget. After all, this government was saying, "The ordinary taxpayer will have to bear the brunt of increased taxation. We will get in on the bonanza of extra energy prices in order to get more money from those people. We will not increase taxation in the corporate sector. We want to limit spending." That seemed to be the philosophy.

In October we were faced with a statement by the Premier that this government is going to purchase 25 per cent of the common shares of

Suncor. What does that do to the statement made by the Treasurer last May? We know it will mean an increased deficit, a deficit now totalling \$1.4 billion, up about \$469 million over the budget forecast. It would have been more than that except for the ad valorem tax and the energy pricing agreement, which increased the revenues of the government over and above the forecast they made.

What does this mean? What does this purchase have to do with the philosophy expounded by the Treasurer? Since the Premier made his statement we have found it has very little to do with the philosophy expounded by the Treasurer, since apparently he was not in favour of it.

I want to make very clear that we as a party, unlike our Liberal colleagues in this House, are not opposed to public involvement in the resource sector, especially in the energy sector. As a matter of fact, at the time of the energy pricing agreement this party advocated the purchase of an oil company because we said that we faced, because of that Alberta-Ottawa agreement, a tremendous transfer of wealth from eastern Canada, from Ontario, to the west. We felt we should be in on that gain, that we should attempt to get some return for the energy consumers in Ontario, by getting into the oil industry. We wanted to get some return on the tremendous wealth that would flow to the private sector and to western Canada.

So we are not opposed to a purchase of an oil company per se, as the Liberals seem to be, despite the comments made earlier this spring that the party should consider moving to the left.

The Premier said at the time of his announcement that one of the reasons for this purchase was to get a window on the industry, the same kind of argument we have put forward and the federal government—the federal Liberals, as a matter of fact—have put forward as a reason for purchasing shares in various Petrocan companies and for setting up and operating Petrocan.

The Premier also said this would somehow help to ensure the security of the supply of energy to Ontario residents. Mr. Speaker, I submit that all those arguments could have been used at the time Ontario Hydro was studying the purchase of Denison Mines before the uranium contracts. Yet at that time the government rejected those arguments and said they were not interested in becoming involved in energy, they were not interested in buying into the private sector, they were not interested in having a window on the uranium business, they were not

interested in saving Ontario Hydro and the taxpayers and the energy consumers of Ontario substantial sums of money. They were interested in guaranteeing Stephen Roman a \$7 billion profit.

At that time we said they should accept the proposals in the Wellesley report and that this government should indeed nationalize the uranium industry, that Ontario Hydro should buy up the source of the uranium they wished to purchase. Despite the comments by the Leader of the Opposition on Friday that from his point of view it would make more sense to purchase Denison Mines than Suncor, it is interesting to note that the Liberals on the committee at that time voted against the purchase of Denison Mines.

Interjection.

Mr. Wildman: I hear a comment from a member opposite saying that is a good thing. In a very strange way I suppose the Liberals are being consistent here. They were opposed to purchasing a corporation involved in energy even though it was located in Ontario and was making a tremendous amount of money at the expense of the consumers on a resource that already belongs to the people of Ontario. They are now opposed to the purchase of an oil company or to getting involved in the purchase of an oil company.

But it does not seem the Tories are being consistent. The Tories were opposed to purchasing Denison Mines and now they are in favour of purchasing Suncor. The latter, ironically, is a company involved in energy but in terms of its source of resource and its exploration is operating outside this jurisdiction. It certainly has a marketing operation in this province and is involved in producing employment in this province. But I really do not understand how this government decides to do things. It is for that reason we support the demand for the documentation.

Obviously this is a definite shift in policy by the Tory government. It is a change I am sure the member for Prince Edward-Lennox (Mr. J. A. Taylor) was involved in. I am sure he is the one who advocated the purchase of Suncor, as a former Minister of Energy. I would like that member to share his inside information with us. I think all of us in the House deserve documentation. The people of Ontario deserve to know. Although we as a party are in favour of getting involved in the oil industry—of a direct public interest in the oil industry, a public control and direction of the oil industry—we have to know if this particular deal was a good one.

The documentation we have been given so far does not give us that kind of information. I know the members opposite all have that information. It does not seem adequate, though, for them to sit there, if they believe in democracy, saying only the government should know; the government rules; the government knows best; do not ask questions; do not ask for information.

Personally, I would like to know whether the purchase into Suncor was a good idea. Perhaps we should have been getting involved with another company in that industry. We have been told the price was a good price. We have been told in the documentation provided that it was a good price, within a range of something like \$550 to \$675, and assurance is given that since certain matters have been brought to the attention of the consultants it made sense for the purchase price to be at the high end of that range rather than the low end.

We would like to know what was brought to their attention. Why were they able to make that decision? Why were they able to say to the government, "Look, that is not a bad price." I do not think it is enough for the government to say: "These are respected people. We should respect their opinions and we should not question them." Surely we are elected to this Legislature to represent our constituents and to be able to analyse decisions and policies made by the government to determine whether they are supportable, whether they are good deals for the taxpayers of Ontario. For some reason, this government is unwilling to share that information with us.

I am reduced to idle speculation on this matter, as are all members on this side of the House, unfortunately. The purchase of 25 per cent of Suncor, in my view, means almost nothing. When \$625 million is paid for 25 per cent of a company, what does that mean? It certainly does not give one control of the company. The government has said it does not want control. It has said it wants to be involved and to help to Canadianize the industry. But 25 per cent does not Canadianize a company.

Mr. Rotenberg: It's a start.

4:20 p.m.

Mr. Wildman: It does not get anywhere close to Canadianizing a company, to the point that in order to qualify for the incentives of the federal government under the national energy program, Suncor and the Ontario Energy Corporation are going to have to set up a sidecar company to carry out exploration—a, quote,

"Canadian" company that will carry out exploration and therefore will qualify for the national energy program incentives.

I would like to know why this government is opposed to control. What analysis did they do that convinced them it was a better idea to purchase 25 per cent than some other percentage? Why is it better to purchase 25 per cent than 35 per cent or whatever? If they are interested in control, as we are, we think they should have purchased 51 per cent. We would like to know the studies that showed the government the purchase of 51 per cent would not be a good deal for the Ontario taxpayers and energy consumers.

The purchase of 51 per cent would have given control of the \$356.8 million working capital that is held by Suncor. We do not have control of that now. We would not have had to deal with the whole question of Canadianization by saying we hope, feel and trust the other 26 per cent will be purchased by another Canadian buyer.

We would not have had to go the route of setting up a sidecar company for exploration. With 51 per cent, the company would qualify for the national energy policy incentives and, more important than that, this government and the people of Ontario, would be able to direct the decisions of the company.

The control of the company would not be left with Sun Oil in the United States. This would, indeed, be not only a Canadian company but a company which was subject to the direction of the Canadian people and Canadian investors. We would be able to direct the investment dollar. But we are told in this House that McLeod Young Weir were not even directed to look at that question. They were not even asked if 51 per cent would have been a good deal. Apparently they were only asked to look at the price of 25 per cent.

We would like to know why. We would like to know how this decision to purchase 25 per cent was arrived at. It is not too much for the opposition to be asking. We would like to know how the purchase of 25 per cent of this company fits in with the budgetary philosophy of the government. I do not have to go back to last April. We can look at some statements by the Treasurer since that time.

At the time of the energy pricing agreement in September, the Treasurer made a statement—he was talking about the federal government—in which he said: "The federal government must use its new revenue generated by the energy agreement to help develop industry. Ontario is

ready to participate and take full advantage of national initiatives to increase industrial development by creating intensive job-creating projects."

I would like to know how the purchase of 25 per cent of Suncor in any way relates to those statements by the Treasurer. For that matter, at the time of the conference of the ministers of finance in Ottawa in October, the Treasurer made the statement that the 11 governments in Canada "need to co-operate in a new national economic strategy to combat inflation, encourage productivity gains and investment, and effectively reinvest new petroleum revenues."

Since this government does not benefit from petroleum revenues, is the purchase of 25 per cent of Suncor because this government believes it is not involved at the table and it wants to get involved at the table. We would like to know what studies were made, not just by the consultants but by the government itself—by the Ministry of Energy, the Ontario Energy Corporation and the Treasury—that led them to the conclusion they had to become involved directly rather than leaving it to the initiative of the federal government in co-operation with the provincial government.

There is nothing in the compendium that was provided that gives us any indication about those matters. This government has not been able to explain in any way how its purchase is going to lead it to become involved in the redirection of the petroleum revenues. Certainly 25 per cent of a company—the fifth largest—is not going to provide that.

In response to the question from my colleague from Port Arthur, the energy critic in this party, asking for further information, we were given the two letters that were referred to by the member for Hamilton West. The member for Port Arthur (Mr. Foulds) asked the government to table all documentation leading to the purchase. He asked specifically if there was a study similar to project Wellesley. In response, after the debate began last Friday, the government tabled the statement that no such study had been carried out—there had only been an evaluation report by McLeod Young Weir Limited and a critique of it by Price Waterhouse Limited.

In the letters that were tabled, the statement is made that there was confidential information provided by Suncor which could not be tabled in this House because it would hurt Suncor's performance and a full report would not be tabled. Instead we got these copies of summa-

ries which are not really stating anything. The government went on to say, when asked to table the agreement between the Ontario Energy Resources Limited and Sun Oil, that to table that agreement "may unduly impact upon final negotiations" and for that reason the agreement will not be tabled. So we have these two letters from McLeod Young Weir and Price Waterhouse dated October 13.

As the member for Hamilton West said, all those tabled letters say is that the assessment done means a fair price was paid. There was an assessment done of the fair value of 100 per cent of the common shares of Suncor and an assessment of the capitalized value of the company on the Canadian stock exchange, if it had been listed.

They also stated they made an estimate of earnings of Suncor and accounted for the possible premium paid on shares for a takeover bid. Having made those decisions, 25 per cent of the common shares combined with certain assumed collateral agreements would fall in the range from \$550 million to \$675 million. Subsequently they say the collateral agreements were more favourable than they assumed and consequently the value of the Suncor common shares would lie at the upper level of that range—between \$550 million and \$675 million.

It would appear from those letters that someone—I do not know who it was—on that side of the House made a decision to purchase 25 per cent. We have no indication why that percentage was chosen or why that company was chosen. All we have is a statement that if they are going to buy 25 per cent of Suncor, they are not getting a bad deal in terms of price.

We do not know if it is the best deal we could have gotten for the people of Ontario, the best company to get involved with or whatever. We do know that Suncor was a willing seller. They were looking for a buyer. They were having some difficulty and apparently the government of Ontario was a willing buyer.

Mr. Elston: They were looking for a sucker.

Mr. Wildman: We do not know that. That is why we need the documentation. I would certainly hope this government would have done the kind of analysis and work that is necessary to ensure they were not taken as a sucker, but we do not know that. I think we should be given an opportunity to analyse that for ourselves to see if, in fact, we got a good deal.

Price Waterhouse in their so-called summary of their analysis said they did a detailed cash

flow projection. They got divisional information, operating statements, production data, capital expenditures, mining costs, extractions and upgrading costs and other relevant financial information. Why can we not find out what this relevant financial information is that led Price Waterhouse to come to the conclusion they were "in general agreement with McLeod Young Weir on the value of 25 per cent of the common shares"?

4:30 p.m.

The Acting Speaker (Mr. Cousens): I just want to ask whether you are speaking to the amendment? If you are speaking to the amendment, could you draw it in so that I see how this—

Mr. Wildman: I understand the government is requesting supply. A good portion of that supply will be spent on the purchase of Suncor—a very major portion of it. I would think that is relevant. I have also said we do not agree with the proposal as made by the Treasurer in the original motion that the government should be voted supply from November 1, 1981 to March 31, 1982. We agree with the amendment proposed by the member for Hamilton West that the date "March 31, 1982" should be changed to "December 31, 1981." Surely it is in order for members of the Legislature to ask for documentation that has led to a major change in the budgetary philosophy of the government at the time the government is requesting supply.

We are told in this House that we are to depend on the respected opinions rendered by respected financial houses. We are to say we accept their assurances, despite the fact we are told they were asked a specific question, "How much for 25 per cent of Suncor?" We are not given any indication of whether this government, whether it be the Ministry of Treasury and Economics, the Ministry of the Environment, the Ontario Energy Corporation or whatever part of government, did an analysis as to why it should purchase that particular percentage of that particular company. That is what we are asking questions about here today.

When we ask if McLeod Young Weir recommended this purchase the Minister of Energy says he does not give out his advice. He does not tell the public the advice he was given for fear he will not get advice in the future. He will not even tell us whether McLeod Young Weir said it thought this was a good investment. We are asked to support the government in its request for supply so it can expend moneys but it will not

share with us the kinds of analyses it goes through in determining how it is going to spend moneys. Surely if it is a requirement of democratic government that we have public debate on whether to vote moneys, it is incumbent upon the government to provide the information necessary in order for us to have democratic and public debate on how those moneys should be spent.

We are left to idle speculation. In strict investment terms it is rather difficult to determine whether we have a good deal. Certainly McLeod Young Weir says it is a good purchase price, so we paid \$50 a share for Suncor. But since the shares are not listed or traded on any stock exchange it is not possible for us to compare that price with the historical trend. On face value the price paid is equivalent to about 38 per cent of the company's assets, but we have only been able to acquire 25 per cent of that equity.

It is common that we would be paying a premium on a takeover bid, but again we do not know whether that is an adequate return. The return the government is talking about is 15 per cent on its investment. Assuming the government meant that as an annual return at \$50 a share, that would mean a return of \$7.50 a share or a total of about \$97.5 million a year. Without the kind of information we are requesting it is almost impossible for us to ascertain the likelihood of such a return. Frankly, in terms of a dividend track record, I think that kind of return would impress even Bell Canada shareholders.

In terms of the financial position of the company, we can look at a number of things. At the end of 1980, Suncor reported total assets amounting to \$1.7 billion, or an increase of 37.9 per cent from \$1.25 billion the previous year. On the basis of its total assets in 1980, the company ranked thirty-sixth among Canada's top corporations. On the basis of net income in 1980, it ranked eleventh with a reported net income of \$306.4 million, up 77.2 per cent from 1979.

However, Suncor's increases in assets and income have not continued during 1981. At the end of the second quarter, the company reported earnings down sharply from 1980. Its six-month earnings were \$38.9 million, down \$135.8 million from \$174.7 million in 1980. The company attributes this decrease to the national energy program's substantially reduced pricing for Suncor's synthetic crude oil production. I suppose that will increase and its prospects will improve with the new Alberta-Ottawa agreement.

We are buying a company that is involved, certainly as the government has said, in exploration and resources development. Obviously, as we pointed out, it has an oil sands operation, and it is involved with refining, petrochemicals and marketing. In terms of that company, only the Sunoco group's refining, petrochemical and marketing operations are in Ontario.

But if one looks at profits by segment, the exploration production and resources development segment accounted for only 7.8 per cent of the company's pretax profits in 1980, the oil sands accounted for 66.3 per cent and the refining, petrochemical and marketing operations, centred on Ontario, accounted for the remaining 25.8 per cent. Obviously it is mainly an oil sands operation, and that is what we are buying into.

The oil sands and refining operations of the company have shown a tremendous increase, while exploration operations actually have shown a decrease. This is one argument used by the Premier for buying into this operation: because it is involved with frontier explorations. That has actually been decreasing.

From our information, it appears that Suncor had a buoyant year in 1980. But this was due to higher prices for its products rather than new productive capacities coming on stream or any new major oil or gas discoveries. Since the late 1960s, Suncor has invested about \$158 million to acquire and explore properties in the frontier areas, but at present there has been little more than initial exploratory activities in these properties. The company has indicated that it discovered gas in offshore Labrador and the Arctic Islands areas as well as making gas discoveries in the Mackenzie Delta.

While it appears from the Premier's statement at the time of the purchase that it would make sense for Ontario to become involved with a company that is involved with frontier explorations on Canada lands rather than other provincial jurisdictions, the company has shifted exploration operations in the last few years from the frontier areas to western Canada.

Expenditures in western Canada almost doubled between 1979 and 1980; in the frontier areas, there was only a marginal increase in expenditures. At present, approximately 62 per cent of Suncor's gross proven conventional oil reserves are located in Alberta, as are 81 per cent of its proven natural gas reserves. The remainder of its proven reserves are in the other western provinces.

I think we could all agree that the purchase of

25 per cent of the common shares of Suncor is a good deal for the company. After all, the company needed a shot in the arm because it had been having difficulties. Back in 1978, the Foreign Investment Review Agency indicated to Suncor that the company had to reduce its US ownership to 85 per cent. The company approached 15 buyers, none of which was interested.

4:40 p.m.

With the arrival of the national energy program in 1980, this upped the ante because of that program's Canadianization guidelines which changed the rules for grants and tax incentives. If a company now is 50 per cent Canadian-owned, so-called Canadianized, it will qualify for exploration incentives, while companies that are 75 per cent controlled in Canada will get even more incentives. There was no question that if Suncor wanted to stay in the Canadian market it would have to Canadianize; so it was looking for a buyer and it got one.

From our point of view, the purchase of 25 per cent of Suncor by the government of Ontario really gives it nothing. It is interesting that this government, like the government in Ottawa, often fudges the issue between Canadianizing and nationalizing. Obviously there is a clear distinction between public ownership and the kind of deal this government has struck with Suncor. Even if Suncor does achieve 51 per cent Canadianization, effective control still remains in the United States with the parent company. The company remains in the private sector and will continue to operate as it has in the past, qualifying at the same time for greater tax incentives.

Mr. Ruston: On a point of order, Mr. Speaker: There is no cabinet minister in the House, and I wonder who is in charge of operations. I think the normal procedure is for at least one cabinet minister to be in the House when the House is in session.

Mr. Mancini: There is no quorum. We are offended.

Mr. J. A. Reed: Here comes the man on duty.

Mr. Wildman: I note that we suddenly have two cabinet ministers approaching. Thank you. I appreciate the intervention.

In our view, there is a sincere and important difference between Canadianizing and nationalizing. Twenty-five per cent of Suncor does not give us the kind of control we believe is necessary. Even if the 51 per cent Canadianizing goal is reached, we will still have a private

company, a company that operates in the private sector as a private company would operate.

We have indicated in the past our commitment to public ownership, especially in the context of resource and industrial strategy, but it appears this government has no idea how to use public investment and ownership effectively. Suncor appears to be a case in point.

One of the arguments used by the Premier is that it is a window on the industry. Obviously a window is useful but only if one uses it. It appears this government will not have the kind of wedge in terms of control of the company actually to influence the pricing practices of the company it is buying into. It will not have any way of ensuring that the residents of Ontario are not overcharged as the combines investigation report proposed the companies, including Suncor, have been involved in.

There is nothing in terms of the research and development the Premier referred to. The 25 per cent minority interest in Suncor is not going to do anything to ensure more research and development for this province.

What about Canadian purchasing? The government has been saying that, with the megaprojects in the energy industry over the next few years, Ontario has to get involved; it has to be in the game to get jobs and to ensure that manufacturing development related to energy takes place in Ontario. There does not appear to be anything in this agreement, certainly not in the information we have been provided, that would ensure maximum Canadian benefit from Suncor's economic development.

I have indicated throughout my comments that we believe the government should indeed be getting involved in the purchase of an energy company to get a return for the residents of Ontario. But in that involvement they should be looking for control, they should be looking for 51 per cent, so they can control and direct the investment decisions made by the company. This 25 per cent purchase does not appear to do anything of the sort.

Concerning the return to Ontario, how do we judge whether we are going to get the return of 15 per cent that has been pointed to by the Premier? Suncor has never paid dividends on its common shares. Has a formal dividend declaration been made? Has the company decided on a policy? Has the company made a commitment to this government? Have that dividend declaration and that commitment been made by the

Sun Oil Company Limited, which is the real owner of this company and which will remain so and will continue to control it?

What commitments do we have from Sun Oil that they will not drain Suncor of its resources? We do not know, apparently, and nothing has been provided in this House to let us make those kinds of assessments. There is nothing at all in the documentation that will give us the kind of answers we want and need as representatives of the people of this province to decide whether this is a good deal for the people of Ontario.

As I have said, we believe as a party that the Canadian people through their government should become involved directly in the investments made in and by the oil industry. The problem is that to be able to do that we have to have all the information, and we do not have it.

So although we do not agree with the direction the Liberals have taken in this House, which appears to be in opposition to the purchase of 25 per cent of an oil company—or, in fact, in opposition to the purchase of any part of an oil company—and while we believe we should go for control to get a return for the residents of Ontario, we believe that all of the documentation has to be provided to assess any deal that is made. Before we will agree to vote supply to this government, we want to have that kind of documentation, and not the little bit that was provided on Friday, so we can make wise and knowledgeable decisions.

For that reason, we will support the amendment proposed by the member for Hamilton West, and we hope that through this debate we will be able to force the government to table the documentation and analyses that we all deserve as members of this House.

Mr. J. A. Reed: Mr. Speaker, I rise in support of this amendment. I was listening very intently to the words of the member for Algoma. I appreciate the support of the New Democratic Party for this amendment because I believe that, whatever reasons may underlie one's decision in this matter, the debate certainly revolves around the dissemination of the necessary information to the people of Ontario about the purchase of a 25 per cent interest in Suncor, or the lack of willingness of the government to disseminate that information. That is the bottom line, if you will.

At his press conference, the Premier put forward a number of reasons why the government had made this decision. He said the government had made a decision, or he had a made a decision. Our understanding is that only

four senior cabinet ministers made the decision, and the rest of the caucus, including the other cabinet ministers, knew nothing about the decision. He suggested that it was a good deal for Ontario. He said that it would provide a window on the oil industry. He hinted that it would provide energy security, or help to provide energy security, in terms of this strategic commodity we call petroleum. I would like to address a few of those notions put forward by the Premier.

4:50 p.m.

I want to deal first of all with the notion that buying an oil company provides one with energy security. The fact of the matter is that no such energy security is either enhanced or diminished by the purchase of Suncor. Not one extra cup of oil will come to Ontario whether the company is owned by the citizens of Ontario or whether it is not. Let us make the record clear that the federal government, and the federal government alone, controls the distribution and the allocation of oil in Canada.

I see a minister shaking his head.

Let me elaborate on it a little further. A year and a half ago, there was some concern expressed by a major petrochemical company in Sarnia that the debate that was going on between the government of Alberta and the federal government might result in Alberta declaring that the particular petrochemical company would no longer be a customer for oil that was coming from Alberta.

As the opposition energy critic in Ontario, I met with the federal minister and asked him that very question. I was given the assurance that in no way could the allocation of oil be controlled. In the last analysis, the federal government will have the final say as to where oil goes in this country.

The fact that an American company may own a resource located in Alberta does not mean the resources of that company can be automatically exported to the United States. It is just sheer nonsense to contemplate that. Also, let us make it absolutely clear that within the borders of this country allocation is the final prerogative of the federal government.

The Premier also said that they wanted a window on the oil industry. Just a very short time ago, the federal government created Petrocan for that very purpose. It was to give government a window on the oil industry.

I am glad the Treasurer of Ontario has just come in. I wonder how the Treasurer is feeling about all of this. With all of his statements to the

press and his statements in this Legislature about his opposition to this kind of thing, I wonder how he feels today, and how he has felt for the last week since the rug was pulled out from under him, when it became evident that he no longer controlled the finances of this province and he no longer had anything to say about it. I wonder how he feels now that he no longer has anything more to say about the deficit that he wants to correct so badly, or at least said he wanted to correct so badly prior to this acquisition.

I dare say the Treasurer must be having some second thoughts about his own philosophical conflicts with his Premier at this particular time. I suggest to the Treasurer that if he wishes to retain his credibility in the political world, he will seriously consider his resignation from the portfolio of Treasurer, because whatever he says from now on will be totally ineffective.

How can it be believed that anything he says to this Legislature or to the public from now on is worth anything? If he stands up with the conviction I know he has, deep down, and says to the Premier, "I am obviously not in control of the destiny of this province financially; I will have to step down," then my respect will be restored.

The purchase is 25 per cent. It is interesting to know the Premier also said at the press conference that the success of Suncor, as far as an investment by Ontario was concerned, really hinged on Canadianization of the other 26 per cent. I believe, if my memory serves me correctly, the letter of intent stated there would be a three-year period in which the government hoped private enterprise would pick up the strings on the remainder and, if there were no takers, the provincial government would be obliged to see to it that the province would pick up whatever ownership below 51 per cent was left over.

What we are looking at is not only a surface investment of \$650 million for 25 per cent but also, unless there is an angel somewhere in the wings we do not know about, the possibility of the province being stuck for whatever value that 26 per cent may have in three years' time. That should be made very clear.

I would not think the provincial government would be so naive as to enter into a purchase of this magnitude without having some kind of backup, although the Premier said in his press conference that no private industry had been approached and there was no quiet agreement with private industry. We do know some large

corporations actually examined the possibility of purchasing an interest in Suncor and turned it down.

I want to ask the Treasurer—I want to put the question on the record, at least—is there a possibility that the federal government has been approached about picking up 26 per cent? I do not think that has been mentioned before this time. I ask the question because I have to wonder if there are any large corporations that are willing to take a flyer after we are told upwards of a dozen have turned down the opportunity, companies with large resources which could easily purchase 26 per cent or, for that matter, 100 per cent of Suncor if they so chose.

That has not taken place; so the question must remain: Is the federal government interested in this? Has the province gone to the federal government?

So many questions remain unanswered it is impossible for us to tell whether this was even a good business deal. We can talk about the figures as we know them, and we can look at the financial statement of Suncor. If we look at it on the surface with the information we have in our hands right now, it does not look like a good deal. The prospects do not make it look like a good deal. What is it that is being hidden? What is behind the refusal of the government to release the Price Waterhouse and the McLeod Young Weir summaries and so on? Why are we not getting this information?

If this purchase did something tangible for the people of Ontario, we could support it. If it did something concrete, if it provided jobs that could not be provided by the private sector or if it would ensure increased oil supply, we could support it. If it would do something that could not be done in any other way, we could support it.

5 p.m.

It was interesting that the announcement of exploration that followed the announcement of Suncor by a couple of days did not even involve Suncor. The agreements were made with other companies entirely removed; so the government could not even use the excuse that it was going to use Suncor's expertise in exploration. What is it the Treasurer is now obliged to hide, however distasteful it may be to him? And I am sure it is deeply distasteful to him.

There is also the question of the impact of \$650 million worth of investment outside of Canada. The impact on Ontario is bound to be negative, especially when one considers the

options available right here in the province that could have produced something tangible for the people of Ontario. Let me just point out a couple of alternative scenarios that could have used an investment of \$650 million.

Let us go back to the announcement last Monday of the peat study that has been done, which shows that Ontario has the largest inventory of peat in all Canada and suggests, apparently—I have not seen the statistics in the study yet—that in Canada we are the second in the world and that in Ontario, if we segregate Ontario, we have the third largest inventory of peat in all the world, representing an oil equivalent of 72 billion barrels. That is not millions of barrels, but billions of barrels.

The technology that is known for the recovery of that peat makes it something to rival the tar sands in importance. Yet it has lain there as the sleeping giant in this province, and we have drifted into a critical energy situation in terms of its impact on our economy and the price we pay for fuel.

We have a situation now where we know that the end product using peat as the feedstock is competitive with gasoline. We know that if we spent \$650 million on methanol plants in this province—which, incidentally, is happening in other parts of Canada now—we could be replacing 15 per cent of our transportation fuel requirements by 1990. We would create 7,000 new permanent jobs—not high-technology jobs, but middle-technology jobs, skilled labour jobs—and we would create, in the process of building those plants, 1,000 jobs in construction. The employment would be in areas of the province that need employment so badly.

Surely the Treasurer knows—if the Premier will not accept this, the Treasurer surely will—that the spinoff effect of \$650 million in this bailiwick of this province is far more important than the payout of \$650 million for whatever profit might accrue for a 25 per cent investment in Suncor. The spinoff effect can be enormous.

My party commissioned and completed a study on fuel alcohol back in 1978. It was really interesting because, not having a firm inventory on peat, there never having been one before, we did our study on wood waste. That is the material that is left behind by the forest industry when they go through and cut timber. It does not even include the undesirable species; it is just the waste that is left behind. It is around half of the tonnage of material that is harvested.

That study showed there was enough wood waste alone in this province to supply all of the

transportation requirements for liquid fuel in 1990 at a cost competitive with that of gasoline. Our 1978 calculations, the best estimates we could make at that time, were methanol costs in the 70-cent-per-gallon range. That did not include distribution, it did not include profits to distributors and it did not include taxes, although since that time we have passed legislation in this House eliminating taxes on those fuels; so presumably, at least until the volume grows, the government will leave taxes on methanol alone.

So the potential is there. It is so desperately obvious. Investment goes begging in this province while we elect to spend \$650 million and ship it to St. Louis or wherever when we should be spending it right here in the province for our own energy development and in a manner that would allow Ontario to make its own contribution to Canadian energy self-sufficiency. The investment does absolutely nothing right now to enhance Canadian energy self-sufficiency. In spite of the fact that the Price Waterhouse report and the McLeod Young Weir report may show it to be a marvellous investment, it will still not contribute anything tangible to the future of energy either in this province or in this country. I am very sorry to say that. One hopes it will be a good business deal. We do not know that; we are not even allowed to have the facts that precipitated the choice.

There is another area of investment in energy that is going begging in this province. I just came back from a meeting to discuss the new government-released report called Energy and Agriculture. In that meeting we discussed some of the things that were absent from that study, and they include the redevelopment and further development of the hydraulic power potential in Ontario.

This energy critic has been speaking and harping and carping and trying to generate some kind of interest in the government, other than verbal or peripheral interest, for nearly six years now, and still all that has come from that side are a few glossy magazine-type publications touting the desirability of small water power in the province. I defy any person in this House today to try to go through the process to even restart an existing shutdown hydraulic power plant in Ontario.

I have been involved for five years in trying to get independent investment to restart a water power plant that is owned by the Ministry of Natural Resources. It is sitting idle, it is slowly crumbling into decay, and yet it has a return that is significant enough for private enterprise to

become involved. But we cannot even break through the morass of red tape and bureaucratic hierarchy, in the Ministry of Natural Resources in this case, to get the job done. As a result, thousands of megawatts go down the stream every hour of every day of every week of every year in this province while the government chooses to spend \$650 million in St. Louis for the purchase of 25 per cent of a tar sands plant in Alberta and a refinery and distribution system in Ontario that will not do one solitary thing either to enhance our energy security or to give us any further window on the oil industry.

5:10 p.m.

Where in the world are the Premier's priorities? He also committed the \$650 million out of deficit. It is money he does not even have to spend but, because he is allowed to run a deficit, he thought this was a good deal. I suspect the decision to go ahead with this purchase was precipitated mostly by the polls that were taken last year which showed that people were generally supportive of the federal government's Canadianization program. There was some general support for it because it gave the federal government a window on the industry and so on.

So the Premier of Ontario decided to ride in on the coat-tails of that poll. It is not untypical of the Premier of Ontario. He has done it before. Many of the policies that have been supported and set by this government in the last three or four years have been done by public opinion poll. Government by poll—we have been critical of it before. There is not much leadership in government by poll, but perhaps the Premier feels that the average citizen in this province really will not feel too affected by the impact of the Suncor purchase. Well, I have news for him: \$650 million added to the deficit will have a real impact on the people of this province. The Treasurer knows that; that is one of the reasons he has been opposed to this purchase all the way down the line. He knows the impact it will have, he knows the effect it will have on inflation, he knows that it will not do a thing to help the economic state of Ontario.

I do not blame the Treasurer for being opposed to it, because it is wrong. It is wrong for the reasons that I have outlined. It is wrong because there are alternatives. If we conclude that we have the money, then we have the ability to invest in this province and the alternatives right here in Ontario should have been explored first. If they were being explored first, we would not be worried about the oil future because we would be moving all of our transportation, our

goods and our people on alternative fuels produced right here in Ontario and putting money in the pockets of Ontario workers.

All we are doing now is simply perpetuating a problem that has grown to enormous proportions. The hypocrisy of it, of course, is that the government of Ontario profits through the deal and in the process compromises itself. It has introduced the ad valorem gasoline tax and the ad valorem diesel fuel tax, which means that the more it gets the price up, the more the government takes from the people who have to put gasoline in their cars, or diesel fuel in their trucks, to go to work or transport goods.

I submit that probably one of the reasons there has not been a real effort put forward in investment in alternative fuels in Ontario is that the ad valorem taxes are too easy. It is too easy to take the money and run without having to provide any sort of leadership or to venture forth into new and innovative areas, which is what is required in Ontario.

I have told the Minister of Energy many times before that what is required for energy in the 1980s is for a Minister of Energy to be able to stand alone, to stand where no one has been before, to move out into new directions, to take risks, to be prepared for some not working out as well, but also to be prepared for the successes that can accrue if one does at least as much as the-turtle and sticks one's neck out to get ahead a little bit.

It is obvious that Ontario has the ability now to become energy self-sufficient. If the message had not reached home before last Monday, it should have come home after last Monday when the peat study was released. We have an electric power resource with a capacity factor on an annual basis of around 40 per cent; the other 60 per cent does not get used. The capacity to make hydrogen with that unused electric power capacity is substantial. The utilization of peat as a feedstock to make methanol or ethanol—there is some technology that will probably bear out ethanol in the next 10 or 15 years—and the capacity to make fuels from this stuff in combination with hydrogen make it the energy choice for this province, because we have all the resources available to us here. We are beholden to no one and we still have the opportunity, if we seize it, to get into the forefront in the world, in Canada, of that kind of transportation fuel development. All the arguments in opposition to the uses of ethanol and methanol in the past have evaporated in the light of the facts.

As far back as a 1978 study, the provincial

government said fuel alcohol was not feasible for Ontario. I see the Minister of Health (Mr. Timbrell) looking a little quizzical about that; I do not have the study to bring out of my desk and wave at him today, but it is there, believe me. The same year the federal government did a parallel study on methanol and found it was indeed a feasible fuel alternative for Canada. That same year my party did a study on methanol using wood waste as the raw stock and found that it was a feasible move to make for Ontario.

Begging investments in the nature of \$650 million, I submit to the Treasurer that we could start with even less. If we had our druthers, we would start with pilot plants utilizing some of these basic feedstocks to establish the technology and the economics and then attracting the private sector, because it will turn out to be a darned good investment.

Instead, the government chooses to spend this money that is going to leave Ontario and Canada. It is going to add to that a new dividend policy on the part of Suncor. For the first time in its history, it is going to elect to pay dividends so that Ontario may be the beneficiary of 25 per cent of the potential dividends as a 25 per cent stockholder. Up until this year, Suncor has reinvested every cent back here in Canada. Now, for the first time, when a dividend is declared, 75 per cent of those dividends will revert to the parent, Sun Oil of St. Louis, and 25 per cent will come to Ontario.

5:20 p.m.

One really wonders what that is going to do for the future development of that company. Is it going to become a holding concern as the buildings and materials deteriorate with age, or will it require some fresh investment or some repair investment? When we get down to the business of having to put up some money to repair this ageing machinery in a few years because the dividends have all gone, one wonders if Ontario is going to get tapped for 25 per cent of the cost of keeping the engines running at the tar sands plant out there and at the refinery in Sarnia? I am sure the Treasurer brought that to the attention of the Premier at some time or another.

I regret to have to be tackling the Treasurer all by himself here, because I know that deep down he has been opposed all along to this purchase; but he must realize that, as long as he sits in that chair as Treasurer of Ontario, he is going to have to take it, as unpalatable as it is.

We are looking for answers and we are not

getting them. The so-called compendium that was sent across the floor was a collection of annual reports and publicity releases. That was what the government called a compendium and tried to shove off on the opposition.

We feel the people of Ontario have a right to know if the government made the decision as a good business deal with future considerations. We have the right to know if it was a rotten decision or if they did it because it might prove popular at the polls. Unless they are still hiding some major thing, we have to conclude that the deal is not good, that it was a most unwise decision.

The government continues to hide the McLeod Young Weir report and the Price Waterhouse report. Goodness knows what else they are hiding. I suppose one can respond from the government side, "Those are the realities of March 19 and you had better get used to it." It is an absolute insult to the people of Ontario—

Mr. McKessock: And to democracy.

Mr. J. A. Reed: —and to democracy, as my friend said, that the government would choose to thumb its nose at the citizens of this province who have a right to know why they are going to be paying more taxes to cover the cost of this purchase, to know what the risks are in connection with this purchase and to know how it can be justified when the government is carrying a deficit now of hundreds of millions of dollars and is going to add hundreds of millions to that deficit. They are not even in the black; they do not have it there to spend, and yet they say it is all great stuff.

I suppose history alone will show what is obvious. As time goes on, some of these facts will emerge. A few months or a few years from now history will show whether the purchase itself was even good business. In terms of having a window, the people of Ontario have discovered there is no window and, if there is, it is shuttered as long as the government refuses to reveal the compendium of information necessary for a judgement to be made.

The Tories, in a majority government, especially early in the term, may consider that they have the right to do whatever they darn well want. Possibly they feel that some of these things will die down at the end of three years or so and, if they wish, they can start gearing up for another give-away election.

But whether or not it turns out to be politically popular, some people on that side have their own conscience to live with. They sit on that side, and I am sure they were as shocked

as I was to hear, first of all, that their Conservative government had decided to get itself into business and, second, that the Premier and a few of his cabinet colleagues chose not to share that prospect with them. When one is on the government side, I suppose it pays to keep one's mouth shut most of the time, especially when one is told to. But I do not think for one minute that the members opposite are serving the province of Ontario well by remaining silent on the issue.

I call on all those on the government side who share misgivings about this purchase to declare themselves to their Premier. Take the risk. I realize it is risky. I realize that future considerations can and do evaporate, but I challenge them to stand up and be counted if they consider that they are there for the same reason I consider I am here: to serve this province and to do our small part to make it a better place.

Perhaps it is more difficult for them than it is for me to stand up and be critical like this. But I do believe, unless there is something spectacular that has not been revealed, that this purchase will prove to have been a serious blunder on the part of this government. I do believe, even if there is something yet to be revealed, that it is a serious mistake for the government to withhold it. So why do they not give it to us? Why do they not give us the reasons and give us those reports?

I suggest one other thing. If the government and the Treasurer are concerned about having the money with which to operate, surely the responsibility of the opposition is to make clear to the government its distaste for the cavalier way in which the people's money is spent. Surely the onus rides solely upon the Treasurer and the Premier to make this information available immediately and not to put the cheques of old age pensioners, people on fixed incomes and so on in jeopardy any longer. The opposition is doing its job and will continue to do its job until these documents are released.

5:30 p.m.

Mr. Stokes: Mr. Speaker, I did not intend to get into this debate until I heard the member for Halton-Burlington being given such a wide range of subject matter.

I hearken back to a time when I occupied the chair that you are now occupying when we were debating a similar motion for interim supply. One would have thought the only thing that could have been discussed was the time frame within which the authority for spending money was before the House. However, the very same

Treasurer said on that occasion, "Oh no, I think it is quite in order for any member to discuss almost anything that represents the expenditure of funds."

I think that same Treasurer is reaping the whirlwind now, because an offhand, occasional remark he made has led us to the point where now we are given a wide-ranging opportunity to discuss the spending habits of the Treasurer and the government in Ontario, namely, "that the Treasurer of Ontario be authorized to pay the salaries of the civil servants and other necessary payments pending the voting of supply for the period commencing November 1, 1981, and ending March 31, 1982." So it is fair game for any member of this assembly to talk about literally anything that constitutes the expenditure of funds, the very funds the Treasurer is asking for.

I see under the gallery the former member for St. Andrew-St. Patrick, Mr. Allan Grossman, whom I welcome on your behalf, Mr. Speaker, and on behalf of all members of this assembly, and I appreciate the interest he is showing in this debate. I wonder whether the Premier and the four members of cabinet who allegedly were in on this deal—

Mr. Cassidy: The only one here is the one who opposed it.

Mr. Stokes: I feel quite confident that, had we been engaged in a debate such as the one this afternoon and had the former member for St. Andrew-St. Patrick been in on this cabinet decision—I can recall numerous occasions in this House when, either by way of formal debate or by way of interjection, and some of his are classics; I would refer new members of the House to those interjections by the former member—he certainly would not have acquiesced in it to the extent that most of the people over on that side of the House obviously have, particularly with regard to the expenditure of \$650 million of the taxpayers' money to acquire a 25 per cent interest in an oil company that is not based in Ontario and none of whose activities are based in Ontario. One would have to assume that any of the funds that are being made available to Suncor through this acquisition by the province of Ontario will be spent elsewhere.

I think it is true to say, given the philosophy and ideology of this party towards the control of resources indigenous to Ontario, and more generally, I suppose, to all of Canada, that under the auspices of both the federal govern-

ment and the provincial government we would view this as a worthwhile, useful and legitimate expenditure of funds.

However, in this case, it could be the Treasurer, the Minister of Energy and the entire executive council are not in a position to provide the information that would allow this House to make a very intelligent appraisal of whether the expenditure of funds was in the best interests of the taxpayers of Ontario. One would have to think people over there know a lot more than they are prepared to tell the members of this House whom they are asking to support this interim supply motion. Either that or they feel the public has no right to know.

I happen to think the kind of parliamentary democracy we enjoy in this province and this country means that if the government is spending this kind of money to acquire a significant share in a major resource company, not only do the members of this assembly who are being asked to grant this authority for the expenditure of funds have the right, we have the responsibility to know. I think also the people in Ontario have the right and the responsibility to know how funds of this magnitude are being spent by this government and requested by this Treasurer.

I wonder whether it would be worthwhile spending a few moments talking about the way in which this motion was placed before the House and the time frame within which it was placed before the House. I suppose it is accurate to say that in the 14 years I have had the privilege of sitting in this House, almost without exception the government has come in at the eleventh hour and asked for an extension in its authority to spend money. This interim supply motion has been brought in at the eleventh hour and almost with the full knowledge this House would grant those spending authorities.

I do not know what takes place in other jurisdictions with regard to the timing of this interim supply motion. I do know it is traditional they wait until the eleventh hour in this province and assume they will get an extension of that authority almost without question. I do not know how many billions of dollars this motion will represent for the authority to spend money for the next five months, but I do know it will be several billions of dollars. Yet they come in here at the eleventh hour, almost in a cavalier fashion, and say: "This is a routine motion and we expect it to pass."

Obviously they must have done. It was debated after question period last Friday morn-

ing when we normally rise on Fridays at one o'clock. They knew full well their right to spend public moneys expired at midnight Saturday night. For the Treasurer to stand up here, aided and abetted by the member for Lincoln (Mr. Andrewes), and ask, "What kind of scenario does the debating of this motion create for those who depend on public funds"—

5:40 p.m.

The Deputy Speaker: While there is a hesitation—order, please. There is an undue amount of speaking while the honourable member has the floor.

Mr. Stokes: It does not bother me a bit, Mr. Speaker. I am used to it.

I am wondering if the Treasurer wants us to take him seriously when he castigates the Leader of the Opposition for carrying out what is the function of not only the Leader of the Opposition but every member of this House—on this side or on the other side. To make sure about the kind of dollars this Treasurer is asking for is the individual and the collective responsibility of every member of this House. For the Treasurer to suggest—prompted by a question today by the member for Lincoln—that the dilemma of this Treasurer and all of the spending authorities in the province of Ontario associated with this government are the responsibility of the Leader of the Opposition is nothing short of irresponsible.

Given the events of the last couple of weeks, I am sure the Treasurer must have known there would be a need for the opposition, before they granted this interim supply motion, to have all of the information the Treasurer and the executive council had that prompted them to spend \$650 million of taxpayers' money. Well in excess of \$350 million out of this interim supply motion will be spent so they can live up to whatever responsibilities they entered into as a result of this deal through Ontario Energy Resources Limited on behalf of the people of Ontario.

I would remind the Treasurer this is a democratic forum wherein not only is it the right of every member of this Legislature to ask very pointed and searching questions of the way he and this government are spending their money, it is a responsibility. For anybody over there to suggest people on this side of the House are being intransigent, that they are being unreasonable in asking these questions, calls into question their concept of parliamentary democracy.

I would like to dispel any notion that anybody on that side of the House may have that people on this side of the House are acting in an irresponsible manner. I would also like to call to the attention of the media, who quite often feel they have the responsibility and set themselves up as the opposition around here, that we on this side are quite conscious and willing to accept our responsibility on behalf of the electorate who sent us down here. I think we would be acting in an irresponsible way if we did not call into question this interim supply motion, given the timing with which it was introduced in this House. It was given about an hour and a half for debate at a time when obviously there was going to be a lot of criticism about the way this Treasurer has asked us to rubber stamp very significant expenditures of funds. I refer particularly to the Suncor deal.

I am one who personally agrees that this Treasurer and this government should have a window into an area of our industrial activity that is so pivotal and so important—not only to everybody in Canada but more particularly to people in Ontario who are so resource-deficient in terms of oil, gas and coal supplies.

I think when a former Treasurer acquired an interest in Syncrude, it was at my urging that a former Treasurer took that action. I was pleased with that; I agreed wholeheartedly with the action taken by this government to acquire a position in Syncrude. I was dismayed and disappointed when it divested itself of that share in the Syncrude operation.

One has to wonder why the philosophy behind the expenditure of funds by this government seems to vary to such a wide degree from one end of the political or philosophical spectrum to the other as it does with that government over there. One has to question why it was they decided to acquire Syncrude and then, when they saw a quick \$30 million profit, divested themselves of it.

As I recall—I cannot back this up by any specific dates—I would have to think there was a deficiency in the Ontario health insurance plan payments at that time. They saw a fast way of converting their interest in Syncrude into a \$30 million profit. That return to the consolidated revenue fund—I cannot say specifically where that actual money was spent but one has to wonder—

Hon. F. S. Miller: It went to the Ontario Economic Council, Jack. It went to OEC.

Mr. Stokes: It went to OEC, so this is what the Treasurer is spending—

Mr. Wildman: So you are buying back into Syncrude now.

Mr. Stokes: One has to wonder just what the thinking processes are, not only from a fiscal and monetary point of view but actually from an ideological and philosophical point of view. Where do those people stand over there with regard to the political spectrum, such as the far right which the Treasurer feels very comfortable about occupying at certain times when it is to his advantage.

He is sitting before us now and I hope will be standing before us when this debate winds up to explain what kind of position, if any, he played in the decision-making that persuaded the government it should spend this \$650 million for—as it chooses to call it—a window. In fact, it is not a window at all.

If the Treasurer is coming clean, if he is being absolutely forthright in what he has said by way of answers to questions at every opportunity provided to him since we learned of this acquisition of Suncor, one has to wonder if they do not have any more information than what they have been prepared to share with the House at this time. If they do not have any more, one has to wonder whether there was a certain degree of irresponsibility in the way those funds were spent.

I would have to think they do have a lot of in-depth information that provided them with whatever justification there was for an expenditure of funds of that magnitude. I would have to think the latter is the case because, when one sees the Minister of Industry and Tourism (Mr. Grossman) perambulating back and forth, and up and around, he is not an irresponsible guy.

I do not believe the Treasurer is an irresponsible Treasurer. I do not believe any of those people in the executive council are irresponsible. I believe they do have sufficient information to justify an expenditure of that magnitude.

I do not want to rehash what former speakers have said addressing themselves to this motion. I have not seen the documentation that was tabled. I have listened to the Leader of the Opposition, I have listened to the honourable member for Algoma, I have listened to the honourable member for Halton-Burlington. If that is all the information the Treasurer and cabinet had to make that decision, in my estimation the ability of those people to carry on the affairs of the people of Ontario has gone way down.

5:50 p.m.

I do not believe that is the case at all. I believe they do have sufficient information to satisfy all of the members of this assembly. I include a

good many of the members over there who have called into question the wisdom of expending funds of that magnitude that will give this so-called window. If it is a window, share the daylight with us.

Give us the information upon which that decision was made, and let us get on to something like the Ministry of Northern Affairs. I have been waiting for two days to get on that subject. That is something near and dear to my heart. But if there is any intransigence associated with this interim supply motion, I would have to say the greater responsibility lies with this Treasurer and the people backing him up. They should supply information that will not only satisfy everybody on this side of the House but, I am sure, everybody in Ontario that their tax dollars are being spent in a responsible, productive way that can be justified.

You have allowed a wide-ranging debate on what could have been the alternatives for this government and for the people in the province with regard to the \$650 million that will have to be spent to acquire a 25 per cent interest in Suncor.

The honourable member for Halton-Burlington has gone on at great length about the peat potential. Having the responsibility for this party, I had the pleasure of attending that peat symposium. I was the only member of this Legislature who attended all of the sessions. I can report to the House—I know there is not much peat in South Dumfries or down around St. George, and I am sure there is not much peat in Brant-Oxford-Norfolk—but I want to reiterate what the honourable member for Halton-Burlington said with regard to the tremendous potential for development of peat resources in Ontario.

While we do not have a complete and precise inventory, we know enough about the resource to say it is either the second or the third largest concentration of peat in any jurisdiction in the world. Let us not get hung up about whether we are first, second or third. We know the amount is substantial. If we even got into that portion of the peat resources below the permafrost line in Ontario we would probably have enough alternative energy resources to be self-sufficient in that field for at least the next 50 years. I think I am being conservative in that.

A question was posed to the Minister of Energy by the member for Halton-Burlington last week as to what specifically is being done to develop alternative energy sources to replace

the ever-increasing amounts of oil and gas we are using in the province. The Minister of Energy did not have anything of a substantive nature to say in response to that, notwithstanding the fact that a federal-provincial program has been in place for well over a year. We have spent in excess of \$14 million of those funds, mostly to industry for energy conservation and new pilot demonstration projects that would use the alternative sources, whether it be peat, whether it is looking into the lignite we have in large quantities in Onakawana, whether it is wind energy—

Mr. Nixon: We have been hearing about that for years.

Mr. Stokes:—whether it is biomass. We say we are energy poor in this province. Do not take my word for it, here is an excellent document that addresses itself to the peat potential in Ontario. It was developed at considerable expense by the Ministry of Natural Resources, the Ministry of Northern Affairs and the Ministry of Energy. I am wondering why the government produces these documents when it makes no real commitment to take firm, positive and definite action to see that we can be more self-sufficient with regard to our energy requirements.

I would like to relate to members a situation that has existed in my riding for many years and still exists to this day. I am sure the clerk, who is listening very attentively, can attest to the fact that I have asked five successive Ministers of Energy to expend a few dollars to look into the wind energy potential in Ontario. I thought I had the support of the now Minister of Northern Affairs (Mr. Bernier). I had the support of the previous member for Cochrane, Mr. Rene Brunelle, who was the Provincial Secretary for Resources Development. Prior to that, he was the Minister of Natural Resources. Everybody agreed we should allocate whatever funds were required in order to investigate the potential for generating electrical energy by using wind, which is free. The Ministry of Energy scurried all around northern Ontario looking at the highest constant wind velocities of any place in the province and they came up with two areas.

Mr. Nixon: Schreiber.

Mr. Stokes: No, one was Winisk and the other was Fort Severn, one in the Cochrane North riding and the other in the riding of Lake Nipigon. They agreed it was worthwhile looking into that, and they decided they would build

what they called a hybrid generating system. That is where a diesel generator would work in tandem with a wind generator and one would take over from the other. When the wind subsided, in would cut the diesel generator, and when the wind increased, out would cut the diesel generator. They called it a hybrid system that worked in tandem.

They put up a demonstration model on Toronto Island that they ran for a year and a half. There was sufficient wind there apparently to prove that the technology was viable and everything was fine and dandy. I said, "Okay,

let's build a model where it has some practical application up on the shores of Hudson Bay." What did they do? Right now in Coniston in the Sudbury basin, they are spending \$1 million for yet another demonstration model. The justification is that it is a lot easier for the technocrats to run from Toronto or Ottawa to Sudbury, rather than using this technology that has been proven viable for the benefit of people who live in northern Ontario.

I see it is six o'clock. I still have a few more remarks, Mr. Speaker.

The House recessed at 6:01 p.m.

CONTENTS

Monday, November 2, 1981

Statements by the ministry

Birch, Hon. M., Provincial Secretary for Social Development:

Ontario Career Week. 3047

Welch, Hon. R. S., Minister of Energy:

Energy and agriculture. 3047

Oral questions

Grossman, Hon. L. S., Minister of Industry and Tourism:

Massey-Ferguson, Mr. Cooke. 3061

Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics:

Ontario energy investment, Mr. Smith, Mr. Wildman, Mr. Cassidy. 3051

Assistance to farmers, Mr. Cassidy, Mr. McKessock, Mr. MacDonald. 3055

Interest rates, Mr. Cooke, Mr. Philip, Mr. Mancini. 3057

Delay of interim supply, Mr. Andrewes. 3058

Ontario energy investment, Mr. Sweeney, Mr. Wildman. 3059

Snow, Hon. J. W., Minister of Transportation and Communications:

Child restraint devices, Ms. Bryden. 3061

Welch, Hon. R. S., Minister of Energy:

Energy and agriculture, Mr. Smith, Mr. Cassidy, Mr. J. A. Reed. 3050

Ontario energy investment, Mr. Breithaupt, Mr. Cassidy. 3057

Great Lakes hydro rates, Mr. Wildman. 3060

Ontario energy investment, Mr. Peterson, Mr. Wildman. 3060

Government motion

Interim supply, resolution 10, Mr. F. S. Miller, recessed. 3062

Other business

Agricultural grants, Mr. Wildman. 3047

UFFI petition , Mr. Speaker.	3047
Business of the House , Mr. Gregory.	3062
Recess	3085

SPEAKERS IN THIS ISSUE

Andrewes, P. W. (Lincoln PC)
 Birch, Hon. M.; Provincial Secretary for Social Development (Scarborough East PC)
 Bradley, J. J. (St. Catharines L)
 Breauth, M. J. (Oshawa NDP)
 Breithaupt, J. R. (Kitchener L)
 Bryden, M. H. (Beaches-Woodbine NDP)
 Cassidy, M. (Ottawa Centre NDP)
 Cooke, D. S. (Windsor-Riverside NDP)
 Cousens, D.; Acting Speaker (York Centre PC)
 Cureatz, S. L.; Deputy Speaker (Durham East PC)
 Elston, M. J. (Huron-Bruce L)
 Gregory, Hon. M. E. C.; Minister without Portfolio (Mississauga East PC)
 MacDonald, D. C. (York South NDP)
 Mancini, R. (Essex South L)
 Martel, E. W. (Sudbury East NDP)
 McKessock, R. (Grey L)
 Miller, Hon. F. S.; Treasurer of Ontario and Minister of Economics (Muskoka PC)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 Peterson, D. R. (London Centre L)
 Philip, E. T. (Etobicoke NDP)
 Reed, J. A. (Halton-Burlington L)
 Rotenberg, D. (Wilson Heights PC)
 Ruston, R. F. (Essex North L)
 Samis, G. R. (Cornwall NDP)
 Smith, S. L. (Hamilton West L)
 Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
 Stephenson, Hon. B. M.; Minister of Education and Minister of Colleges and Universities
 (York Mills PC)
 Stokes, J. E. (Lake Nipigon NDP)
 Sweeney, J. (Kitchener-Wilmot L)
 Turner, Hon. J. M.; Speaker (Peterborough PC)
 Welch, Hon. R. S.; Minister of Energy (Brock PC)
 Wildman, B. (Algoma NDP)



Ontario.

LEGISLATIVE ASSEMBLY

No. 86

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Monday, November 2, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

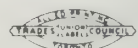
CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

Monday, November 2, 1981

The House resumed at 8 p.m.

INTERIM SUPPLY (continued)

Resuming the adjourned debate on the amendment to the motion that the Treasurer of Ontario be authorized to pay the salaries of the civil servants and other necessary payments pending the voting of supply for the period commencing November 1, 1981, and ending March 31, 1982, such payments to be charged to the proper appropriation following the voting of supply.

Mr. Stokes: Mr. Speaker, when the clock interrupted me at six o'clock I was talking about a demonstration model for wind energy. I am not going to rehash what I have already put on the record, not only earlier this afternoon but also on many occasions that have provided me with an opportunity to do so in the past. With regard to wind energy, it does have very practical application in those areas of the province where the only source of energy generation is diesel fuel oil, the cost of which is anywhere from \$3 to \$5 per gallon.

As the members know, with the recent announcement of an agreement between the federal government and the provinces of Saskatchewan, Alberta and British Columbia, we can look forward to the unhappy prospect of having oil and gasoline double or triple in value within the next five years.

Mr. J. A. Reed: Maybe in price but not necessarily in value.

Mr. Stokes: In price; the member is absolutely correct. This has significant and disturbing implications for everybody in Canada; it has for people in southern Ontario. I would like to contrast that with what it is going to do to the cost of essential fuels in northern Ontario, particularly in those communities north of the fiftieth parallel which have no ground transportation and rely exclusively on air transport for all the services they require, all the food supplies and equipment which are essential for keeping life and limb together in those remote northern communities.

To project all of this to its almost ridiculous conclusion, if they are paying between \$3 and \$5

a gallon for diesel fuel oil in those northern communities now, they will be paying from \$6 to \$10 or from \$12 to \$15 a gallon for diesel fuel oil.

I ask members to consider what will happen if we continue to use the old ways of generating electric energy in the north. The Ministry of Transportation and Communications is a heavy user of fuel oil in those northern communities, as is the Ministry of Natural Resources, the federal Department of Indian Affairs and Northern Development and the Department of National Health and Welfare.

I asked one of the superintendents of the Department of Indian Affairs and Northern Development, which is responsible for providing essential services for a good portion of our first citizens of the north, to give me a ball-park figure of how much fuel oil his department alone consumes in those far northern communities for the operation of schools and all the other things they are responsible for. He said they use about 420,000 gallons of fuel oil in those communities.

Multiply the \$3 to \$5 that it is costing now by a factor of two or three. By the time this energy agreement runs its course in 1986, you can see that either we are going to have to stop providing those services to northern communities, as limited as they are, or they are going to drain increasingly the consolidated revenue fund of this province and, of course, the counterpart of that in Ottawa, the Treasury.

I think it is absolutely essential that we take a look at the dollars we are spending, not only in the energy field but also in all other fields. Since the amendment that was moved by the Leader of the Opposition (Mr. Smith) asks specifically for detailed information with regard to the Suncor issue, it is absolutely essential that we use the overall sums of money the Treasurer (Mr. F. S. Miller) is looking for in this interim supply motion to make sure we get the biggest bang for our buck, not only in wind energy but also in peat.

I am not going to go into a long, detailed dissertation about what we learned at the peat symposium just a week ago. But I think it is important I remind every member of this House that it was brought home very vividly and very

convincingly that we are particularly blessed with this resource in Ontario and that we have a joint federal-provincial fund called the Canada-Ontario agreement, dollars for industrial energy demonstration projects. It is specifically designed in Ontario.

What is the agreement about? In Ontario, our major source of energy is oil, even though we produce very little in our province. With Canada importing 20 per cent of its oil, and the security of foreign supply always in question, it is important that we utilize new and innovative approaches to both conservation and renewable energy forms, which include all of those I have mentioned. That is why the governments of Canada and Ontario are sharing the costs of a five-year, \$58-million agreement. The conservation and renewable energy development and demonstration program is designed to encourage the demonstration of promising technologies for energy conservation and renewable energy as they apply to industry.

8:10 p.m.

I have written a letter to Mr. Hugh Macaulay, chairman of Ontario Hydro, asking him specifically if he will intervene and act as the vehicle for an application of these funds for a specific project involving the technology based on peat that the member for Halton-Burlington (Mr. J. A. Reed) and I have been discussing. We have it in abundance right on the outskirts of a small hamlet in my riding called Armstrong where, until we made an amendment to the Power Corporation Act about a week ago, they were paying 40.5 cents per kilowatt-hour for power at the commercial rate.

Armstrong is not an isolated community in the overall scheme of things in Canada. It is in the heartland of Canada. It is one of the linchpins keeping western and eastern Canada together. The main line of Canadian National runs right through the heart of this hamlet of Armstrong. Yet it is costing small commercial users, who operate diesel generators in that community, 40.5 cents per kilowatt-hour to buy power from Ontario Hydro, simply because we have not found it practical to hook them up to the transmission grid of Ontario Hydro.

We have the resource right on the doorstep. We have the technology for the gasification of peat. We have obviously demonstrated a need. Here is a vehicle to accomplish just what we are trying to do with this Canada-Ontario agreement.

While the Treasurer, the Minister of Energy (Mr. Welch), the Minister of Northern Affairs

(Mr. Bernier) and the Minister of Natural Resources (Mr. Pope) are not here at the moment, perhaps we have some executive assistants or parliamentary assistants who will bring my words to the attention of those ministers, because here they have a real and genuine opportunity to prove to all of Canada, to all of the world, that they can be leaders in this kind of technology.

They do not have much time, because at this peat symposium we were made well aware that Hydro-Québec has already embarked on a demonstration model on Anticosti Island using the process of the gasification of peat to operate what it calls a dual-fuel engine that will use diesel fuel oil for 10 per cent of the time and peat moss for the other 90 per cent of the time to do expressly what all those ministers I have mentioned earlier say they want. Even the Treasurer says they want a window, they want a piece of the action. Here is a really significant way they can get a piece of the action if they have the will to get on with the job.

One other area we can get into is the hydraulic generation that is still going untapped in Ontario. I am not talking about very expensive hydraulic generation potential like a Beauharnois, a Churchill Falls, a Niagara Falls or something like that. I am talking about many locations in the north, close to existing communities, where there is sufficient stream flow to install immersible generators.

The Minister of Energy knows precisely what I am talking about, because we have both visited a plant where we not only saw them producing the immersible generators to be utilized in this way but also we actually saw them in operation. This is not a technology that we have to spend many years and hundreds of thousands of dollars to develop; it is already there. We have the resource, flowing water, and we have the need, where the community is paying far too much for generation by the use of diesels. They have water flowing right by their doorsteps. There is another technology that is right there waiting for us to pick up if we have the will to get on with it.

There is one other thing that I want to mention in this debate. I suppose I have come almost full circle. I started out by sort of castigating the Treasurer and those who support him for their criticism of people on this side of the House for being irresponsible in not granting five months of interim supply, which will amount to several billion dollars between now and March 31, 1982. I want to remind him of

the fact that we live in a parliamentary democracy, one where we sometimes forget we have a responsibility to it as much as it has a responsibility to us.

After I finished speaking at six o'clock, I went down to the main foyer, which you, Mr. Speaker, so graciously allowed the government of Ontario to use for hosting our Hungarian guests. I think that was an excellent use of these facilities, and I commend you for carrying on that process, sir.

The Deputy Premier (Mr. Welch), who also happens to be the Minister of Energy, among many other things, reminded them of the reason why they decided to come to Canada and to Ontario. It was because they could not tolerate the kind of government, the kind of political philosophy, that caused the uprising of the Hungarians in 1956. They sought refuge in Canada, and I think they have benefited from it, as have all of us as Ontarians and Canadians.

He said, "This is an opportunity for us to remind ourselves of the freedoms we enjoy and the responsibility that we have collectively to appreciate the democratic process."

I want to remind you, Mr. Speaker, and everybody else who cares to listen to me, that what we are engaged in here this evening, questioning this interim supply motion, is the democratic process. Why we live in this province and in this country is because we have the right and the responsibility to question the expenditure of public funds. We have the right to demand full disclosure along with the many freedoms that all too often we take for granted. Sometimes we deny the freedom to know to others. The essence of what this debate is all about is the freedom to know.

8:20 p.m.

I do not think the Treasurer has anything to hide, nor do any of his colleagues. I think they can probably justify the \$650 million for which they are asking as being for a worthwhile undertaking, and that is for us to become much more energy self-sufficient. I could have found much more innovative ways to spend it if the Premier or the Treasurer had said to me, "Here is \$350 million or \$650 million; now you decide how you are going to spend it." Believe me, I do not think it would have been in Suncor. It would have been in all these things I have been talking about since I have had the privilege of addressing this Legislature.

However, the government is committed to spending that \$650 million. I do not think that is all bad. But I think the Treasurer, who is reading

some kind of paper over there, has a responsibility not only to this House and to this institution of parliamentary democracy but also to the people out there whose money he is spending at this time. I do not know how seriously he thinks about not only his democratic right but also his democratic responsibility. Sometimes I think he is much too cavalier about it. He is one of the people who takes this process for granted.

I want to tell the Treasurer that if he ignores the democratic process, if he ignores this assembly's right to know and the public's right to know, we all suffer a little bit in the process. I think he does so at his own peril, because he has probably the second most onerous and responsible position in this process we call democracy in Ontario.

I do not think he realizes the onerous responsibility, not only to himself but also to the 8.6 million people in Ontario he presumes to speak for. That is what this debate is all about. If he really believes in the democratic process, he should stand up and say so. He should give us the information we are entitled to, let us pass this interim supply motion and let us get on with the business of running this province on behalf of the 8.5 million people we presume to speak for.

Hon. F. S. Miller: On a point of order, Mr. Speaker: There is no person for whom I have more respect than the speaker who just sat down, in terms of respect for this House. In the course of his remarks, he has said I am the author of the lengthy interim supply debate. At the same time, at the end of his remarks, he has implied that I have no respect for this House.

I point out that it is the very respect I have for this House that has had me, in the beginning, extend the interim supply debate so that it did have a broader topic and scope. I hope I am showing the same basic approach tonight. I do not think he has seen any move by me to change that.

Mr. Stokes: That really was not a point of order. He is differing with the emphasis I am placing. I am not accusing the Treasurer of being ignorant about what this whole process is all about. All I am saying is the condition placed upon the passage of this interim supply motion by the mover of the amendment was that we will give the Treasurer interim supply for two months as opposed to the five months he asked for. If he provides us with the kind of information we think we are entitled to, we will sit down right now and call the previous question.

I thought maybe the Treasurer was interven-

ing to get up and say, "We are prepared to make this disclosure to you and get on with the business of the people of Ontario." I am not saying the Treasurer is being mischievous or callous or anything like that. All I am saying is I do not think he fully appreciates the responsibility he has as Treasurer, not only to himself and to this Legislature but also to the people of Ontario. If he gets up and provides us with that information, we can get on with the estimates of the Ministry of Northern Affairs. It is as simple as that. If he wants to get up and provide that information, I am sure we can call for the question right now.

Mr. Sweeney: I assume, Mr. Speaker, at least up to this point in the proceedings, that the Treasurer is not willing to accede to the most reasonable suggestion made by the member for Lake Nipigon (Mr. Stokes). I would be quite prepared to yield the floor to him if that were the case, but I do not see very much activity over there. Anyway, let us move on.

I begin by reminding all my honourable colleagues on both sides of the House that we are participating in a unique occasion. Certainly not in the six years I have been in this Legislature have we held up a supply motion. I have checked with some of my colleagues who have been here for a longer period of time than I have, and they cannot remember the last time a supply motion was held up. I say that to try to drive home the point that we really do believe this is a serious issue.

There is no game playing going on here. There is no attempt to deliberately thwart the activities of this House and to prevent them from moving on at the normal pace; that is not it at all. We want to make very clear to our colleagues opposite and to the public outside this Legislature that we genuinely believe we are dealing with an issue that is important to the members of this House and to the members of the public outside this House.

Exactly what is at stake here? I would like once again to pick up on the remarks of my honourable colleague the member for Lake Nipigon. The first thing that is at stake is our responsibility as members of Her Majesty's loyal opposition in the province of Ontario. Let us, right off the bat, cut out the guff about our trying to blackmail the government, about our trying to obstruct, about our trying to put up obstacles just for the sake of putting them up. That is not the issue at all.

The first issue here is our responsibility as members of the opposition to oppose when we

genuinely and deeply believe that what the government is doing is wrong or, in this particular case, when the government does not give us enough information even to permit us to support them.

Under certain circumstances, and given the facts, we might even be prepared to support the government on this issue. That is part of the problem: we do not know. But, first and foremost, our responsibility as an opposition is to oppose when we believe that the government is not acting in the best interests of the people of this province; and, second, it is to remind the government that its responsibility is to govern and to do what needs to be done.

What other problems do we have to face here? We have to realize that we are talking of a very large amount of money. The members of the government will recall that on previous occasions we have questioned, we have challenged and we have criticized when they have spent sums of money into the millions on something like Minaki Lodge, when they have spent millions on something like the jet, when they have spent millions on something like their advertising and their polls. In all those cases we pointed out that we did not think those were wise decisions. But we did not move in this way because, as large as those sums of money were, they were dwarfed by the amount we are talking about in this issue; \$650 million is a lot of money, no matter how you cut it.

My colleagues have already demonstrated that, when the interest on top of that is compounded at 17 per cent over the life of this deal, we are talking of another \$2.4 billion, for a total bill to this province, and to the people who pay the bill in this province, in excess of \$3 billion. That is a lot of money, no matter how you cut it.

There was a time when someone said, "What's a million?" We surely cannot say, even in this day and age of astronomical figures at all levels of government: "What is \$650 million? What is \$3 billion?" That is a lot of money, no matter how you cut it, and that amount of money has a serious and significant impact on the economic health of this province.

8:30 p.m.

It is our duty and responsibility to challenge the government if we believe it is going to expend on behalf of the taxpayers of this province those kinds of dollars in a way that may not be justified and in a way that has not been justified to the members of this Legislature at this time.

Second, and I believe this is the point the Treasurer perhaps more than anyone else in this House realizes right now, it is significant that it represents a rather dramatic reversal of the government's own stated aim of moving towards reducing the deficit which, by the way, members of my party support. We have long lost track of whatever year it is going to be now. Even the Treasurer and the government he represents no longer project a date but, somewhere in the foreseeable future, we might even reach the point of a balanced budget in this province again.

Nevertheless, I think the Treasurer has got general agreement from all sides of this House that we should continue to move towards reducing the deficit. What do we find from this particular folly? That is the only word we can use at this point until we are given evidence otherwise. We have the Treasurer's own economic report of September 30 of this year in which he points out to us that a projected deficit of \$997 million is now going to be increased by \$469 million, an increase of 47 per cent.

I ask the members on the government side, when was the last time they can remember when in the third quarter we were projecting an increase in the deficit of 47 per cent? I ask any one of them, can they remember it? Is there anything on record to show the deficit of this province increasing in midstream by 47 per cent?

It is significant. We are not talking about small potatoes or pennies here. We are talking about a very significant reversal in the economic policy of this government of moving towards reduced deficits, which all sides of this House support. The Treasurer says in his own report, "The most significant change was brought about by Ontario's purchase of a 25 per cent interest in Suncor, a subsidiary of the US-owned Sun Oil Company." That is the most significant source of a 47 per cent increase in the deficit of this province.

Finally, why must we oppose it? It is because we recognize this purchase, this economic folly does not meet the needs of Ontario. It is folly until they prove to us otherwise. I said right at the beginning that all the evidence available at the present time leads us to believe it is folly. Until they are prepared to show us otherwise by giving us the background, the economic data, the reports from their advisers that show otherwise, we have no other alternative but to think of it as economic folly. That is our job: to challenge the government to prove otherwise.

Let us move on. What are the needs of this province, needs which even the government itself has projected, stated and announced over and over again? In a province with 300,000 people out of work, our first need is to provide more jobs for our people. We cannot do it ourselves. We recognize the government cannot provide 300,000 jobs overnight or even in the foreseeable future. But we also recognize, in working with business, industry, management and labour people in this province, we can provide a significant number of those jobs. We can cut into that 300,000 unemployed in this province, but not with this. It has not been demonstrated to us that this deal, this purchase, this government investment, will create one single job, never mind 300,000 or anywhere near 300,000. It will not create one single job, at least not in Ontario.

What it may do is continue to speed-up the flight of skilled people out of Ontario moving towards the west. We know, for example, that last year 37,000 Ontarians had to leave this province of promise, this province that has said over and over again, "A place to stand and a place to grow." They had to leave this place and go out west, most of them to Alberta. That is where Suncor has all its infrastructure in Canada, at least the bulk of it. Maybe that is the message the Treasurer has given us. Maybe that is how he is going to provide jobs for Ontarians, by investing in a company that has its infrastructure outside Ontario and possibly this will provide for the creation of jobs outside Ontario.

Maybe we are seeing a whole new strategy, a whole new set of tactics from the government of Ontario, the Minister of Industry and Tourism (Mr. Grossman) and the Treasurer. Is that how we are going to create jobs? Is that how we are going to help the 300,000 people. We are telling them, "You have to leave Ontario; you have to go to Alberta because that is where we are investing our money, young ladies and gentlemen of Ontario. That is where the government of Ontario is going to put its bucks; that is where it is going to put its hope; that is where it is going to put its future; that is where its vision is, not in Ontario."

My God, I hope not. I hope that really is not the government's new strategy. If it is, it is a strategy of defeat and despair and that is not what Ontario needs. It needs hope, promise and confidence and this deal does not provide it.

The other thing the government has said over and over again is that this province needs more industry—building up an industrial base in this

province. Once again we look around and ask in vain, we even plead: Show us where this deal will add one iota, one inch to the industrial infrastructure of Ontario. We cannot see it. We know it is certainly going to add to the infrastructure in Alberta. It is probably going to add to the infrastructure in Pennsylvania, depending on what they do with that \$650 million. We sure do not know what they are going to do with it.

I doubt very much if the Treasurer knows what they are going to do with it. If he does, we would certainly appreciate him sharing that knowledge with us. We do not know what they are going to do with that \$650 million or the initial \$325 million we are giving them. They are going to do something with it but there has been no proof yet—at least the government has not given it to us—that they are going to spend any of that money in Ontario, that they are going to add anything to the industry of Ontario. Are they? Once again, I will gladly yield the floor if the Treasurer can answer that question.

Hon. F. S. Miller: No.

Mr. Sweeney: No, that's right. First, we need jobs and this does not do a thing for us. Second, we need more industrial development and this does not do a thing for us.

What is the third thing the government has said over and over again that we need? We need greater independence with respect to energy supply. They say we cannot continue to be held ransom to forces outside our borders, whether those forces be in the Middle East, the United States, Mexico, Alaska or even western Canada. Ontario cannot afford to continue to be held ransom—that is what they keep telling us. So once again we examine this deal and we ask ourselves whether it in any way adds one little bit to security of supply. Does it give us any movement whatsoever to an independence of supply? The answer once again, no matter how many times we ask, has got to be no.

I would certainly appreciate it if any member on the other side of the House can tell me otherwise. Those are the kinds of answers we are looking for. The Treasurer wonders why we oppose, why we accept our responsibility and our duty to oppose this deal. It is because it does not do anything for Ontario.

8:40 p.m.

It was mentioned before, it was questioned philosophically, whether the members of this party could accept the premise of the government being involved in investing in the resources

of this province, and in the industry of this province, to meet its resource needs and the industrial needs. The answer is a categorical yes. We believe the government should be involved in such things, but we believe it should be involved in such a way, in such a manner, using such strategies, that it is going to help meet Ontario's needs, it is going to create new jobs, it is going to create new industries, it is going to build up our research and development base, it is going to increase our supply of energy, it is going to make us more independent than we are now.

I doubt we will ever be able to be totally independent, at least in the foreseeable future, but at least let us move in that direction. But we have to keep saying to the Treasurer this does not do that. We would be quite prepared, despite the financial implications of increasing the deficit by 47 per cent, at least to entertain the economic viability of that move if it directly met the needs of Ontario. But it does not. So, therefore, we have to oppose it.

I finish this section of my comments by pointing out, as the member for Lake Nipigon (Mr. Stokes) did a few minutes ago, that it is in the parliamentary tradition that an official opposition, a loyal opposition, a responsible opposition, must challenge the government when such economic decisions are made, whether those economic decisions are a part of the budget, whether they are a part of a supply motion, whether they represent a motion of confidence—whatever it is. It is in the best parliamentary tradition dating back as far as any one can remember that the loyal, official and responsible opposition must oppose. That is its job.

We are being asked in the Treasurer's motion to grant him moneys for salaries and other necessary payments. We are telling the Treasurer, on the basis of what he is doing and what he has done in the last few weeks, we cannot grant him those moneys. We cannot, because we speak for a very significant part of the population of Ontario. The members of my party, and the candidates who stood for my party in the last election, garnered in excess of one million votes. One million people said to us, "We are giving you the responsibility to go to Queen's Park, to go to the Legislature of Ontario to speak for us and represent us." That is a lot of people in this province.

I know the Premier is fond of saying over and over again, "You people on the other side have to accept the realities of March 19." We have to

keep telling the Premier he had better take a good look at the realities of March 19. It is true he has a majority of the votes that were cast, but he seems to forget that of all the potential votes, all the people who were eligible to vote, he only got 25 per cent. That is not a really significant mandate and even he knows it.

The other thing the Premier is loath to mention from time to time is that approximately 44 per cent of the people who were eligible to vote in this province did not vote at all. The voting turnout in this province was what?—56, 57 per cent? Something pretty close to that.

There was an article recently—I think it was in *Saturday Night* magazine—that described the last election in Ontario as a good example of the politics of anaesthesia. The theme of this article was that in the last election the Conservatives put the electorate to sleep with their bland politics.

I do not think they put them to sleep at all. I think the people of Ontario were wide awake; I think they knew what they were doing when they stayed home. They were sick and tired of the kind of politics the government presented; they were sick and tired of the kind of politics this issue represents. That is why they stayed away. It is our responsibility as an opposition to speak up even for them, even for those who chose not to speak for themselves because they were so disenchanted, so frustrated and, in many cases, so angry at what the politics of this province represented.

I too will accept a certain amount of responsibility for those 44 per cent who stayed away; so will my colleagues. We did not do the best job we could have done either. We admit that. We have already admitted it; my leader admitted it today. But it still speaks volumes. Mr. Speaker, every time the Premier of this province reminds us of the realities of March 19 you had better think of those other two aspects of it, because they are pretty serious.

There are people outside this assembly, dedicated public volunteers, and every member knows them: the trustees of our school boards, the trustees of our hospital boards, the governors on our university boards, the volunteers who are on the boards of governors of our children's aid societies—I could go on and on. I am sure you, Mr. Speaker, could add another half dozen groups—people who are out there fighting for their constituency, who are trying to do the job they were elected to do or they have volunteered to do.

Do members know what this deal has done to

them? Let me share with members what just one of them said to me recently, a man who was both a trustee on a school board and a trustee on a hospital board. He said, "All along the Premier, the Treasurer and the individual minister—whether it was the Minister of Health (Mr. Timbrell), the Minister of Education (Miss Stephenson) or the Minister of Community and Social Services (Mr. Drea)—came to us and said, 'We are sorry. We would like to give you more money for your school board, we would like to be able to give you more money for your hospitals or for your university or for your children's aid society, but we just do not have it. That is the economic reality facing Ontario today: we are having economic problems and shortages the same as everybody else is.'"

And he said, "You know, I really had come to believe them. But no more. If any one of those ministers or that Premier comes to me again and says, 'I cannot give more money to the school boards and the hospitals and the university boards and the children's aid societies' I will not believe him any more. Because when the government can go out and find \$650 million to invest in that kind of deal, when they can spend \$10 million on a jet, when they can spend \$25 million on Minaki—that used to jade us, but somehow or other we could live with it because that was part of politics. But when they can find \$650 million they said they did not have? Well, I do not believe them any more."

There probably are thousands of school trustees and hospital trustees and members of boards of governors out there who suddenly realize the falseness of those kinds of claims. They do not believe him any more. That is perhaps one of the greatest tragedies in this whole affair, that he has lost credibility. I would be willing to bet anything there are several of his members, perhaps mostly the ones in the back benches who have not become so jaded yet, who are meeting those people and do not have an answer for them. I ask the Treasurer how he can answer them. What is he going to do the next time they come to his office? How is he going to answer them?

8:50 p.m.

We just heard of a situation recently—I think in Peterborough if I am not mistaken—where one man said, "Given this guff, this kind of practice, these kinds of actions, this kind of behaviour, maybe we should have a tax revolt in this province." I am not supporting that. But the fact is we have people in this province who are so upset and frustrated and angry about what

this government is doing—and this is a classic example of it—they are even talking of a tax revolt.

I would remind the Treasurer what happened in California. Before Proposition 13 everybody laughed. It could not happen, but it did. Need I say what it has done to the services provided in that state? He probably knows better than I do. He has access to computers and hundreds of civil servants. They can tell him a lot faster than I could what it has done. Is that what he wants to happen in this province—that kind of a dumb deal? Is he prepared to pay that kind of a price for it? I have to ask him and only he can answer. I do not know how he is going to answer it.

He keeps telling us he has been advised this is a good deal. But we have to question it. With the figures available to us we have to wonder how he can call it a good deal. As I understand it, in the best year Suncor ever had; it showed a profit of \$300 million. If it takes that entire profit and splits it up among its owners and the government gets 25 per cent of it, if it ever does follow through with the deal, what would it end up with—\$75 million, something like that? Yet at \$650 million at 17 per cent, it is going to cost them \$110 million a year.

I do not know whether the Treasurer's people are using the old math, the new math or something in between, but as someone who has to manage his household budget at least once a month, if he is going to have to pay out \$110 million and he is only going to get \$75 million back, it seems to me he cannot call that a good deal. I would like to see the figures that justify that deal.

The other reason it is said the Treasurer got it was because he wants a window on the industry. What is a window on the industry going to do for him? As one of my colleagues remarked earlier, he may be opening a window but it is for darn sure, by the way he is going about it, he is closing a lot of doors. That is significant. But even if he gets a window, what does it do? He does not have any control over anything. Twenty five per cent does not give him any say to speak of. The other 75 per cent makes all the decisions.

He keeps saying there is another 26 per cent available. But who is going to get the other 26 per cent? There is a pretty good chance he is not going to get it. He does not know who is going to get it. He does not know whether the people who do are going to be friendly, whether they are going to be co-operative, whether they are going to have the same goals and objectives as he does. Heck, even if somebody else does get

the 26 per cent, they have more than he has. They have a bigger say than he has. He keeps saying it is a good deal but we do not know whether it is a good deal.

I want to speak just briefly to the members of the government and point out to them that in times past, when we have asked the Premier of Ontario how he reacted to some statements made by the PC Party in Ontario that were not exactly flattering or supportive of the party, he was fond of saying: "We represent a party that can speak up, that has independent speakers, independent thinkers, independent actors. We do not collar all our people in and pull all the strings."

Maybe now is the time to show us by actions rather than words that some of those people over there really are independent, because we have lots of reasons to believe they all do not support this. We have lots of reasons to believe the constituents they represent sure do not support this. If they are all that independent then let us hear from them. Let us hear them say they do not agree with what this government is doing.

The Treasurer certainly has said it. What was it the Treasurer said in May 1980? "Taxing Canadians to buy existing industry is a misallocation of resources and a waste of time." That is what he said a year and four or five months ago.

It must be difficult for the Treasurer of this province to swallow what has been done, to be forced to defend what has been done. But what about the rest of them over there? I would really be surprised if they all agreed with this—even most of them. Let us see whether the words of their Premier are real. Let us see whether they have any independence. Let us see if they represent the people who elected them, rather than loyalty to their party. Maybe now is the time to stand up and tell us that.

That is what this debate is really all about. It determines whether or not people in this Legislature are willing to stand up for their beliefs, willing to take risks for their beliefs, and are really willing to do what they believe. Let us see.

The Acting Speaker (Mr. Cousens): Mr. Grande from Oakwood.

Mr. Breagh: Try again.

The Acting Speaker: In that case I will go to the honourable member for Oshawa.

Mr. Breagh: Mr. Speaker, I want to join those members who speak in favour of the amendment. I find this process we are going

through rather remarkable, because usually this kind of motion is reserved for Friday mornings, a little later in the session when a lot of tired members are in the Legislature and not a great deal of action takes place. In about 15 or 20 minutes an expenditure—unstated but which we all know will be millions of tax dollars and sometimes more—whips through here.

Mr. Shymko: Tell us about Saskatchewan.

Mr. Breagh: What would the member like to know about Saskatchewan? I would be happy to tell him a great deal about Saskatchewan.

The Acting Speaker: Order. We are talking to the amendment.

Mr. Breagh: I am just responding. He obviously has an educational need and I am trying to fulfill it.

The Acting Speaker: The debate is on the amendment. The honourable member will talk to the amendment.

Mr. Breagh: On the amendment. Maybe if you would stop the interjections on that side, Mr. Speaker, I would try to adhere to the amendment.

The Acting Speaker: On the amendment.

Mr. Wildman: They are getting involved in the oil industry; that is more and more like Saskatchewan.

Mr. Breagh: We are getting very close to Saskatchewan. I want to spend a little bit of time on the concept of the amendment before the House and the motion itself. I find surprising the attitude on the part of the government toward the members of the Legislature daring not only to move amendments but speak to a motion. And—foolish me—I thought that is what a parliament was all about—that the members from each of the constituencies had an opportunity to come down here to scrutinize the estimates of the government, to debate the motions that are put before the House.

I sense from the opposite side—there are those crying, “Foul”—the feeling that the members are not supposed to talk about the business before the House. They should not delay it in any way. I heard the Treasurer today, even before the debate began, getting ready to unload all of the threats about what would happen if we dared to speak to this motion.

Mr. Wildman: That was only because of the trained seals, though.

Mr. Breagh: Yes, there were a few trained seals and stooges who stood up to support them

in that stand. But I find that a surprising thing for the government, at the beginning of a debate on something to say—

Mr. Stokes: In fact, he is standing up right now.

Mr. Breagh: Barely. It is a kind of half-stooge lean there.

Mr. Bradley: Are you suggesting that was an orchestrated question?

Mr. Breagh: It might have been.

The Acting Speaker: Order.

9 p.m.

Mr. Breagh: It is possible. It has happened before in the history of this Parliament that once in a while someone in the back asks a question of someone in the front because he is supposed to. He does not really want to know the answer, but he has been told to do that.

Whether that happened or not the relevant point is that is supposedly what a Legislature does. I find it remarkable, for example, there has actually been a little media attention about a motion of supply. I do not recall that happening often in recent history. I suppose in days of yore people actually paid attention to it.

I find it amazing, too, that the form of the motion before the House and the amendment thereto are rather vague. One has to understand the background of the situation before either the amendment or the motion itself makes sense. I daresay if the public came in and read the motion as printed and the amendment which has been put forward they would not understand what it is all about. One needs to have a little bit of schooling, of education—

Mr. Stokes: A lot of people over there don't even know.

Mr. Breagh: Someone just mentioned there are probably a lot of members over there who do not even know, some of them awake, some of them not awake. We cannot expect them to be both Tories and awake. That is too much; I understand that.

Hon. Mr. Elgie: Don't needle the people of this province.

Mr. Breagh: I beg your pardon. The Minister of Labour is interjecting temporarily. I really would like to hear his words. Are his jackboots getting rusty?

The Acting Speaker: Order. The member for Oshawa has the floor to debate on the amendments.

Mr. Breagh: I appreciate that. There is this

whole aura of how a Legislature works. Is it fair and reasonable for opposition members to seize upon this motion, it being put properly before the House, and then debate it? I had always assumed that was precisely what a Parliament was for—that government members and members on the other side may put motions to the House. The reason they are putting them there is for purposes of debate.

The second aspect I want to touch on is do we in this Legislature have a right or an obligation to understand all the details of a government proposal, in this instance the purchase of shares in Suncor? I would put it a little differently from other speakers I have heard. I believe it is the public who are paying tax bills who have a right to know. They have a right to know all the details of the purchase of the government shares in Suncor. They have a right to know exactly why the government of Ontario, through one of its agencies, could put some kind of confidentiality clause into an agreement like this.

The people of Ontario who pay the taxes have a right to know what their government is doing. More than that, I believe they have a right to know why a government is doing that. Perhaps more pertinent, they have a right to know exactly how the government of Ontario is doing it. That speaks to this motion of supply.

But for members of this Legislature I think it goes a little further than that. We have what I would term an obligation to know all those details. We have an obligation to see a compendium of information that surrounds the major announcement of a purchase on the part of the government which gives us an informed opinion about precisely whether that was a good deal, a bad deal but good in the long run or good in the short run, to see exactly what all the details of it were. That is what we are here for. It is our obligation to be informed.

I find it ironic that at the same time the government is refusing to provide members of the Legislature with information, ministers of the same government purportedly are preparing freedom of information legislation. They are holding seminars.

Mr. Wildman: Where is the Minister without Portfolio?

Mr. Breaugh: Yes, I wonder where the minister responsible for that freedom of information bill is tonight. I do not see him here. If I were in charge of setting up freedom of information from the government's point of view, and I had to come into this House and sit and watch while the government tried to blockade opposi-

tion members finding out anything about a deal the size of the Suncor deal, I might have a tendency to stay away as well, just as that minister is doing tonight.

There are some strange aspects to all of this. I do not understand all the ins and outs of it. However I do understand there is an obligation on the part of members on this side—and I would think just as strong an obligation on the part of members on the government side—to have at their disposal all the details and the information, the hows and the whys and the wherefors, of a purchase of shares in an oil company of that stature.

I think all members in here, whether the secret four in the cabinet who knew in advance, other members of the cabinet or just ordinary members of the government party, have an obligation to understand precisely what is going on.

The amendment talks to something that seems to me to make eminent good sense. If one looks at the government motion that was put forward, it is asking for supply moneys for a five-month period, and the amendment seems to me to be a very rational one; it simply reduces that time.

Quite frankly, I do not see how the government can make an argument that it cannot handle its business, that it does not have its projections, that it does not have its house in order to be able to accommodate the amendment. I am one of those who believe this government would have a tough time organizing a two-car funeral, but even it should be able to estimate its business a little better than it does.

Traditionally, at this time of year we are faced with a motion of this kind, because the government has been unable through all of its computers and civil servants and wise people it has advising it—those it will identify and those it will not—to judge the public business accurately.

Motions of supply have become rather common in here. But I think there is an obligation on the part of this Legislature to take a look at this particular amendment and say to the government, as I think opposition members have made it reasonably clear through question period and related activities, "All we want is to see the details of that particular deal, and we are asking for compliance with the standing orders of the House."

We are understanding, I hope on all sides, of the nature of the deal and that there may well be parts of it that cannot yet be made public, but

that is probably an excuse for the kind of pitiful compendium that was presented when the announcement was first made.

I want to speak briefly about the nature of the major portion of the funds that would come out of this supply motion. I drove by Kingston Road today, and I saw a station that used to be called Fina; there is a new game in town, and it is now called Petro-Canada. I thought in my careful research that this was part of a national energy program put forward by a political party in this country; and I am a little amazed, because I thought that political party was the Liberal Party of Canada.

I thought it had gone this group over here several times better—one might even say the whole hog—into the oil business, and I thought this whole thing called Petro-Canada was put forward and roundly applauded by certain prominent Liberals, some even in this Liberal caucus at Queen's Park.

Mr. Nixon: All that information was public. There were a lot of people who bought stock ahead of time.

Mr. Breagh: The member is correct; there was certain insider trading—I believe that is the term—on that setup. But that notwithstanding, I was quite shocked when I saw that the national government had already implemented on a large scale the purchase of a major oil company and it is on the streets, as proposed by the federal Liberal Party. So when I came in here this afternoon and heard that the provincial Liberal Party was totally against that notion, I found that a little strange. I am not looking for consistency from the Liberal Party—

Mr. Nixon: It is like the NDP on the constitutional debate. Which side are you on on that one?

Mr. Breagh: Well, we are drawing out the analogies there.

The Acting Speaker: Order. We are talking to the amendment.

Mr. Bradley: Yes, there's a good question. Which side are you on on the constitutional debate? Are you with Broadbent?

Mr. Nixon: Or do you make up your own mind?

Mr. Breagh: I am always with my federal leader.

The Acting Speaker: Talking to the amendment.

Mr. Breagh: I was, to say the least, dumbfounded when I came in here and found that

some of my colleagues in the Liberal caucus were now opposed to this kind of quasi-nationalizing of an oil company. I find it a little amusing, quite frankly, that the Premier in making his announcement could not quite bring himself to say the government was going to nationalize an oil company. He was not quite prepared to do that, but he is prepared to "Canadianize."

He does that with 25 per cent of the stock, and I guess he just sits around and waits for somebody to pick up the next 26 per cent of the stock. Perhaps that will happen, but it has not happened yet—although I understand there is that little rider in the agreement that, if nobody else wants to dance, the Premier will find the additional sums of money and make that happen as well, in which case I suppose he will be forced to say he did nationalize an oil company. I am a little at a loss to understand why he had to go to Ohio to do it, but none the less I welcome the intervention of the government in that particular sector.

9:10 p.m..

I listened very carefully to our previous speakers on this particular debate go through the list of all the other things the government of Ontario could have done and perhaps even should have done. It should not be surprising, from the number of other alternative fuel sources that have been discussed many times before in this House and put forward by this time, that members of almost every political party in the province have come to realize that there are many energy sources other than oil and that the province of Ontario, like the federal government, ought to be heavily into those fuel development areas.

It should not be surprising, I suppose, having fought an election based around restraints and the slogan "Help keep the promise," without particularly stating what the promise was, that the Tories in Ontario would attempt to nationalize. I am not making an argument that they have done so successfully. I am not even making an argument that it should be the priority. None the less in the supply motion our moneys will be set aside to make the province of Ontario a player in the energy field, and I do find that to be a supportable notion.

It would be nice and I think it would be important and preferable to have all members of the Legislature fully cognizant of the particulars of that financial arrangement. I am a bit confounded by the Treasurer and the Minister of Energy, who are both absent just now and

who have resisted so wholehoggedly, so to speak, providing information to the members. I do not understand that. It seems that is a simple request contained in our standing orders. It seems to me to be quite a reasonable request as well.

For most of us who participate in this particular debate there are several important aspects to it, not the least of which is to determine precisely what we are talking about in the motion. The amendment changes the motion just slightly from five months to two months. That is the wording I have. That certainly is supportable; but underlying the amendment that is currently before the House are all of the peripheral events and the arguments that have been made about the details of that arrangement.

I want to finish on this one small note: I want to say to the government that it is important for this Legislature to have the information it is now requesting. It seems to me to be quite a reasonable proposition that has been put forward, by both opposition parties, fairly well so far in this debate and I am sure it will be completed at some point in time with a vote. There is nothing as serious or as sinister as has been suggested on the opposite side. Quite frankly, I am waiting to hear from ordinary members of the government party. I am waiting to hear from the silent majority over there who have an opportunity now to jump into this debate to provide the members on this side with a slightly different perspective.

I am sure the member for Carleton-Grenville (Mr. Sterling) is anxious to participate in this debate and to provide us with the government's latest position on freedom of information. I am sure that he has a white paper, a task force and probably several other weapons at his disposal, and that he is about to get right in the middle of this debate and provide us with all of the good reasons why, as the minister in charge of freedom of information, he has to sit on all this information. I am waiting with great anxiety. I know—

Mr. Wildman: They had better get freedom of information for cabinet ministers. Those guys didn't know anything.

Mr. Breaugh: Maybe we should suggest, without going whole hog on this, that a first stage in freedom of information is get hold of the Gang of Four over there, find out how they found out about the details of the Suncor deal and spread it through all of the other limousines in the cabinet. He could find out exactly what

those four had that, for example, the member personally did not have. When he finds out about that part of freedom of information, maybe he can spread it to the ordinary members on that side and then to all the members on this side and eventually even to the taxpayers in Ontario who will foot the bill for this exercise.

I find the motion is eminently supportable, and I support it gladly.

Hon. Mr. McCague: Mr. Speaker, we have heard at great length the same old story about what information the members opposite think they are entitled to as far as the Suncor purchase is concerned. However, they have found this to be a convenient item on which to delay the supply motion. I do not think we can go any farther in this debate without putting on the record the implications of what we are talking about, and I want to do just that.

All offices of government were notified not to issue any cheques after Friday at five o'clock. A very wide range of payments was affected, and some of those start today.

Each day approximately 4,000 regular ongoing supplier payments are issued, amounting to about \$6 million; approximately 15,000 regular Ontario health insurance plan claim payments to individual subscribers, amounting to about \$500,000; about 450 cheques for extended care and homes for special care, for a total of \$12 million.

Special schedule payments are as follows: Ontario youth employment program payments to 1,850 employers, amounting to \$2.6 million; beef assistance payments to 650 farmers, amounting to \$2.2 million; unconditional grants to 60 municipalities, amounting to \$16.5 million; and community renewal payments to 15 municipalities, amounting to about \$18.5 million.

Tomorrow there will be general legislative grants to 14 school boards, amounting to about \$21 million, we hope, and payments to 17 mental retardation facilities of \$5.4 million.

On Wednesday, November 4, there will be general legislative grants to 29 school boards, amounting to \$23 million.

On Thursday, November 5, there will be general legislative grants to a further 28 school boards of \$26 million. The government payroll is also due that day. I understand that members of all parties in the Legislature have been asked at least to conclude the debate before that so these cheques can arrive on time. There are about 75,000 cheques in total, amounting to about \$57 million. There are also assignments to credit unions to the tune of about \$2.2 million.

I think this underlines the urgency of getting this debate concluded, and I hope the members of the House will see fit to do so.

Mr. Wildman: Why did you not bring it in sooner than you did?

Mr. Nixon: Mr. Speaker, I have been waiting for the government to start this sort of pressure, and my reaction is exactly like the interjections that have come from my left.

The Treasurer introduced his motion for interim supply 90 minutes before the deadline. We can say that he is intransigent in not delivering the information we demand, but I suppose we can say even more seriously that he lacks the grey matter. That means he may even be so dumb as not to realize that this sort of motion has to be debated in this House for more than a few minutes and rubber-stamped, particularly when he more than any other member knows how important the recent initiatives he and his colleagues have taken are when viewed in the context of the whole budget of Ontario and in relation to those programs that have been removed from the budget or were never included because of a lack of funds.

Frankly, I was appalled when I learned from the House leader and others that this debate was to be postponed until Friday last, just a few minutes before the deadline. It really amazes me that the Treasurer would ask his colleague to schedule such an important debate with such a small time allotment.

9:20 p.m.

It may be tradition, but I do not know of another occasion when a Treasurer, a few weeks or a few days before asking for interim supply, has tacitly supported such an unusual and insupportable expenditure which, as I understand it, will not come before the House in any other but the ordinary course of events, sometimes months after the date. There is no indication that the minister is bringing in special legislation to finance the acquisition of 25 per cent of Suncor.

As a matter of fact, examination of the legislation that established the Ontario Energy Corporation clearly indicates that they have the power, using the province's credit, to make such an acquisition. As I recall, the last time they did this was when they bought a very small, almost minuscule, share of Syncrude. It was done not with any legislation coming before the House; it was simply done under the powers of order in council in support of the Ontario Energy Corporation.

I feel that the Treasurer is sort of a babe in the woods when it comes to politics. I think he seriously thinks that he has a chance of succeeding the Premier to the leadership of the Progressive Conservative Party. If he seriously thought there was some chance of that, I suggest to him he might as well dismiss it. He was the one barrier that should have restrained the Premier, who in his bad judgement decided singlehandedly to go ahead with this over the Treasurer's objections and with no cabinet support of any significance in the overall scheme of things.

If the Treasurer seriously thought he was ever going to be Premier of this province, he should have announced his resignation the first day when he came into the House and was subjected to the questions, particularly after his ridiculous comments to the press in which he implied that this was not his baby; that, in fact, he was not supporting the Premier. He had to have it both ways; he had to indicate to his friends on the benches and elsewhere that he was not associated with this.

If he had any intestinal fortitude, if he had any concern for the Treasury over which he is the chief guardian and, way down the list, if he had any thought of ever becoming leader of the Conservative Party, he should have come in here and resigned.

What a great prospect for his political future; and at the same time he would have done something for the Treasury of Ontario and the taxpayers. But, as I say, he was the only hurdle left to hold the Premier back from the kind of decision that we find governments make more and more when they are in office too long.

If one wants to apply this to any other government in Canada, one can do so. It really has to do with the same mentality that would lead the Premier to decide that he has to have an \$11-million airplane. He is so concerned about his status with his fellow Premiers and others that he wants to move away from the provincial stage on to the national stage and leave far behind any of those embarrassing moments back in the 1970s when he tried to act as a sort of world-class political figure and was slapped down by this Legislature in the same way we are trying to restrain the government now.

He wants to expunge, once and for all, those little smudges on his record which may be apparent only to him. He has to have that airplane. He has to be even with the Premier of Alberta. He has to be thinking about the national stage. I can see the backroom Tories who say, "Yes, Bill, you deserve that plane."

The same sort of thinking leads the cabinet ministers in Ottawa each to go on a separate plane to Winnipeg. I agree entirely. The same sort of thinking in this government situation leads the Premier to feel that he is an authority and a power unto himself.

It was a joke when we learned that he did not consult with the Tory caucus even though they were in session up to about an hour and a half or two hours before he came here and made the announcement in the session. As somebody interjected, I suppose he could not trust the Tory caucus to keep quiet for a couple of hours; they could not keep a secret. He may have thought that, as a matter of fact. But, even if one dismisses that, is it not strange that the Premier could not go and tell his close political buddies down the hall there with the raised stage at one end?

I happened to notice one day when the door was open that there is a stage at one end for the power brokers to sit up there in their easy chairs with the member for Mississauga East (Mr. Gregory) in the middle, sort of indicating what is going to happen next. For the Premier to sweep in and deliver the word, would have saved his friend the Minister of Labour (Mr. Elgie) from further embarrassment. He had to whip the dogs off the poor minister's heels and say, "Look, boys, even though this sounds ridiculous, we are going ahead with it anyway."

This, of course, was described in the press as a good, clean discussion between the caucus and the Premier. The word came out that he just went in and said: "Look, this is what we are going to do. Are there any questions? I am glad there are none. I have to go now."

The Deputy Speaker: Speak to the motion.

Mr. Nixon: It really amazes me that the Premier, who has come from his antecedents out in Peel county, has come to the point where the power of his office has so infected him that he could make such a decision and make such an announcement in the House, without consulting the only people he really should be relying on, his own powerful, strong backers who will even swallow this: his pals in the caucus.

Then for him to rely on the Treasurer and the Minister of Energy—and was there one other? Perhaps not—for him to rely on just two or three members of his cabinet in making such a decision really harks back to the time that we bought the big land sites down in Haldimand and Norfolk counties. That was when the Treasurer was feeling his oats—not this Treas-

urer but one of his predecessors; a rather ineffectual person, as we saw at the time, politically and otherwise. He decided, without consultation, and talked to the Premier, who was then in his callow days in that office, and told him that we had to buy two city sites. We are not debating that, Mr. Speaker, and I do not intend to dwell on it, but it is the same sort of thing: the absence of political judgement.

Somebody said that power corrupts and absolute power corrupts absolutely. We are not talking about the kind of corruption that leads to the misallocation of funds. We are talking about the kind of corruption—those television lights are going to ruin my speech, because I am going to have to start right at the beginning, right at the very first.

Hon. F. S. Miller: Turn to the left, Bob.

Mr. Nixon: I hope my mother watches the late news.

Mr. McNeil: I hope she doesn't.

Hon. Mr. Gregory: This is probably your big moment, Bob.

Hon. F. S. Miller: Remember to enunciate clearly.

The Deputy Speaker: Order, please.

Mr. Nixon: Thank you, Mr. Speaker, I appreciate your support and the fact that you, at least, want to know what I am saying.

To begin at the beginning of my remarks, I do want to say that it is a very strange thing that the Treasurer and the Chairman of the Management Board of Cabinet (Mr. McCague) would be drawing to our attention all of the bills that will not be paid tonight, tomorrow and the day following unless this debate concludes.

I believe that it is specifically the responsibility of the Treasurer on two counts. The Treasurer has allowed his colleagues in government to go forward with the kinds of expenditure which should not and cannot be supported by the members of this House, and he has used the bad political judgement that has become his hallmark in thinking the special interim supply would be supported in just 90 minutes last Friday.

When we look at the amendment, it simply requires the Treasurer to return to this Legislature about Christmas time, or the end of December—any time in the last two weeks—to get interim supply again if he needs it. The Treasurer surely knows that the planning of the work of this Legislature, if we are going to go by those traditions which we all hold so dear, is that we do try to vote supply for the whole of the

budgetary year before we adjourn at Christmas. Sometimes we go up to a couple of days before, as the pressure to get various pieces of legislation enacted comes to play before the holiday season.

In my years here, there has never been an occasion when the House did not support the government or get voted down by a government majority in approving the granting of all the supply needed to the end of the fiscal year, which is March 31. The idea of requiring interim supply from the end of the session to March 31 has always seemed ridiculous to me. That is one of the many reasons why I feel the Treasurer made a mistake in bringing forward the motion before us in the House at the present time.

9:30 p.m.

It seems the Treasurer hardly knows what is going on here. It seems he has somehow made this personal political commitment to become the Premier of Ontario without having any right to have such a consideration. His understanding of the political process is weak, but even weaker is his understanding of the responsibility he holds as Treasurer which is in many senses an independent one.

Certainly he has to support his administration, although from time to time, as he sort of slip-slides around the initiatives taken by the Premier and others, one must wonder where his loyalties lie. But if there was any thought he was going to take some sort of independent position in safeguarding the Treasury, he was the one person who could have stopped the Premier of Ontario from taking this unilateral decision to acquire 25 per cent of Suncor, which is the reason for the debate tonight.

Even at that point, if the Treasurer and his close advisers, if even the government House leader—who is not here; he is in Ottawa at the constitutional conference—had simply had the good sense to provide a reasonable compendium of information, it could well be this debate would not have taken place.

The government gave us the annual report of the Ministry of Energy with the minister's own picture there and that of Malcolm Rowan, which sort of reinforces and underlines the small problems we have with the ministry from time to time. It gave us that and copies of the Minister of Energy's speeches. We get unlimited numbers of those day after day in our mail. I presume actually most members of the government ask their secretaries to winnow out that tripe as it comes in so they do not have to bother with the stacks and stacks of press releases from the Minister of Energy.

There was a time when we felt he was the minister who had the main inside track to become Premier in the short period of time after the resignation of the incumbent. But I have a feeling he has given up. Somehow or other, his people are still turning out these terrible speeches, the ones that begin: "Good evening, ladies and gentlemen. It is a great pleasure for me as Minister of Energy to be addressing the Kiwanis Club tonight. I understand there are many other functions on in town, but I am delighted to be here with the 20 or 25 people who were able to come out on such a stormy night."

It is all there. If one has time to read it, they ought to be put into what one might call a compendium, but not the kind of compendium we are looking for.

I would say that the annual report of the Ministry of Energy and a few old press releases from the Premier and the Minister of Energy do not a compendium make. I would even suggest that the letters that were tabled, albeit late according to the rules, which were the covering letters to two of the reports, should certainly have been put in that compendium.

It is interesting to note, as my colleague the leader of the party said earlier today, that both of those covering letters are dated the same day, even though the duty of one of the eminent organizations was to review the decisions and the material submitted by the other.

There is something strange going on there. I suppose we find it particularly frustrating since we feel, along with the back-bench Tory members—and there are very few of them, of course—that we have not only the responsibility but also the right to know at least a moderate amount of the basic information that led the Premier to make this unilateral decision.

There should be no surprise on the part of the Chairman of Management Board, who has listed to us the number of cheques and the amounts that will not be paid as this debate goes on tonight, tomorrow, Thursday and Friday. I notice he did not extend his list into next week. He should get his minions in the financial information and accounting policy branch to scurry around and find out about that. Obviously they are not very busy over there.

There are plenty of people who are digging up this sort of information to bring strange and unusual pressures to bear to end a debate which the people on the government side felt should have been finished in just a few minutes. They felt they should have had the authority from the House to spend the money to acquire a 25 per

cent interest in Suncor, a matter which has never come up for rational or reasonable debate in this House and which they do not have to present to the House by way of a statute or a bill.

So the people opposite are very poor politicians indeed. They should have known these matters were of such strength and importance as to require substantial debate here. And we hope that by our actions, which are democratic and proper, they can at least be persuaded to table in this House a reasonable compendium of information for us, for the backbench Tories and—I hesitate to add it but I suppose it is true—for some of the cabinet ministers themselves, perhaps even the Chairman of Management Board (Mr. McCague), otherwise we are not going to get the basic information that will enable us to make the kinds of judgements on this matter we believe are important and in the best interests of the people of this province.

Mr. Cassidy: Mr. Speaker, I have a number of things to say about this issue, and if time permits I would not even mind saying a few words about some of the other problems that could be discussed under the topic of interim supply.

I would remind the member for Lincoln (Mr. Andrewes), since he is new to the House and in view of his intervention in the House today, that interim supply is a means by which the Legislature can decide whether we are or are not prepared to give the government enough funds so they can continue its operations. It may sound a bit archaic or a bit conventional or a bit too much in accordance with the traditions of parliaments that go back to the Magna Carta, but it is a tradition that the grievances of the citizens can be raised and ventilated in the Legislature before the granting of supply to the government.

As my friend from Lake Nipigon (Mr. Stokes) pointed out, that is a tradition which has nine centuries behind it. It seems to me the government might have had some awareness of exactly what the situation was before they tried to jam through interim supply with only 90 minutes of debate and tried to get it from now until the end of March—in other words, before they tried to do away with the process until the end of the session.

What is at issue right now when the government does not have supply is a very difficult but fundamental question. The question is this: In the last two and a half years, since the grants to Ford Motor Company in Windsor for their new automobile engine plant, we have had a series of major interventions by the government of Ontario

in the private sector. We have had the pulp and paper program that was worth \$200 million, we have had the decision of the Minister of Industry and Tourism (Mr. Grossman) on the degree to which the government should be involved in Chrysler Canada Limited, we have had the loan guarantee for Massey-Ferguson Limited and now we have the question of Suncor.

In the case of Massey the deal came up some months ago. We have yet even to see the deal or the arrangement that was made, and the government's promise of tabling the agreement by June has not been fulfilled. In the case of Suncor we are told the government, through the Ontario Energy Corporation, made a number of agreements about confidentiality before negotiations began and therefore cannot give information to the House or to the public.

That kind of confidentiality is quite simply not appropriate when the government comes to deal with the people of Ontario. If we are going to have any kind of parliamentary accountability we cannot also have the kind of "confidentiality" that pertains in the private sector.

Let me sketch what the differences are. Suppose, for example, that an Ontario company of investors in the private sector had decided to purchase a major stake in Suncor. They could have signed a deal respecting confidentiality; they could have assured the principals of Suncor in Pennsylvania the information would not become public. But the principals of the acquiring company would have known everything they needed to know. The report from their investment house as to whether or not it was a good deal would have been public to them; the report of the chartered accountants would have been public to them; the information made available by Suncor would have been available to them if an acquisition were being made in the private sector.

9:40 p.m.

Now we are dealing in the public sector. We are sitting here, 125 of us, in the Legislature where we form in a funny way the board of directors of Ontario. That board of directors is not just four cabinet ministers and the Premier. It is not just the cabinet. All of us in this Legislature represent the people of the province and in our varying ways we are accountable to the people whom we represent in Ontario.

But I cannot go back to my people in Ottawa Centre or go back to the people across the province as leader of the New Democratic Party and say, "Yes, I know it was a good deal," or

"Yes, I have some severe doubts about the deal," because all that has been made available to me is a compendium of information which consisted of the second quarter report to shareholders of Suncor, Suncor's annual report for 1980, a statement by the Premier and a bit of background information made available to the press at the time of the announcement by the Premier the day this Legislature resumed on October 13. There is nothing more.

I know perfectly well the government had more to go on than that when it made its decision. The Minister of Energy, who is here now, and the Treasurer know that is the case as well. It would have been irresponsible for them to have spent \$650 million of the public's funds on the basis of reading an annual report from Suncor, or on the basis of reading the second quarter results of the company.

It would also have been irresponsible for them to have acted on the basis of a two-page letter from McLeod Young Weir or a one-page letter from Price Waterhouse, documents which have now been tabled in the Legislature thanks to questions which came from my friend the member for Port Arthur.

The fact is the government had a great deal more to go on but it is hiding behind the question of confidentiality. I am not sure whether even the cabinet as a whole has been entirely brought into the light about this deal. There has been speculation that if the cabinet had been asked to vote on it, rather than being told by the Premier that it has a fait accompli, the vote would quite likely have been 24 against and the Minister of Energy, the Minister of Industry and Tourism and the Premier in favour. I guess the Treasurer would have had to vote against it as well, even though he was privy to the deal, in view of the statements he has made in the House.

In other words, even the cabinet is not sure of it. I think the government as a whole has done a lousy job of justifying this purchase of 25 per cent of Suncor. It has done a lousy job of justifying this expenditure of \$650 million. I find myself, as leader of the NDP, leader of a party which has argued for many years that there ought to be public involvement in resource industries, in particular those of Ontario, but I do not see why the devil I should have to do the government's work in defending this purchase.

It seems to me they should do their own work. Now that they have acknowledged what we have said for many years, that there is a legitimate role for government to play in owner-

ship of resource industries, then let them eat cake. Let them eat all their past words. Let them go ahead and justify why they have now reversed their stand and acquired a company when they have damned the New Democratic Party for so many years for advocating those very things.

As my friend the member for Algoma said, let them explain why, if it is good to buy Suncor, it did not make sense to use a \$300 million advance to buy Denison Mines and Rio Algom? Instead of advancing that money interest-free, why was it not used to acquire majority control of those companies?

If the government has \$650 million for Suncor, then let it explain why we could not get Falconbridge now. One could buy Falconbridge twice over for \$650 million and bring a refinery into the Sudbury area that would create 2,000 or more jobs right now. Let the government explain why it was prepared to give \$200 million in grants to the pulp and paper industry for a net loss of jobs in northern Ontario but was not prepared to get equity for the people of the province in return for the major investment we made in that important resource industry.

This gang is inconsistent. One day they are prepared to nationalize, the next day they say it is just a pinko plot from the New Democratic Party. I think they should be consistent for once and, if they are prepared to take over 25 per cent of Suncor, explain why they would not do the things in those other important resource industries.

I hear some moanings and groanings from the Liberal Party over there. The Liberal Party is like the push-me pull-you, you used to get in the Dr. Dolittle books because the federal wing of the Liberal party is all in favour of the national energy program. The national energy program says we should Canadianize the oil industry. It says we should endorse Petro-Canada. It says the people of Canada should take 25 per cent of any oil discoveries on the Canada lands which make up most of the Arctic and the Northwest Territories.

The national energy program is being damned to the most eternal. It is being damned by Republican congressmen and senators in Washington. It is being treated in the United States as an expropriation of legitimate interests of the multinational oil companies who mainly emanate from the USA. That is what they think of the national oil program and energy program, proposed by the federal Liberal Party.

I wish those Republican senators and con-

gressmen could have heard some of what we have heard today from Mr. Sweeney, some of what we have heard from Mr. Nixon, some of what we have heard from the Liberal energy critic, Mr. J. A. Reed, and what was heard from the Liberal leader, Dr. Smith. All appear to have gotten into bed with those right-wing reactionaries down in Washington who think that the federal Liberal government should back away from the expropriation, as they see it, of the energy industry.

Those Republicans down there, those zealots of Bonzo economics, those supporters and adherents of Ronald Reagan's policies, would find themselves entirely at one with the policies of the provincial Liberal caucus. Nothing is more opposed than what the Liberals here say when you juxtapose it with what the Liberals have been saying in the federal Parliament about acquisition of Canadian control.

Mr. Bradley: Reminds one of the New Democratic stand on the constitution.

Mr. Cassidy: I have been standing with Ed Broadbent and eight provinces of this country. There are no Liberals to stand with Pierre Trudeau because they have all gone. They ran and they left.

The Deputy Speaker: Speaking to the amendment.

Mr. Cassidy: The next thing the Ontario Liberals will be saying is that it is time to sell more of our manufacturing industry to multinational interests and to foreign control because—

Mr. Mancini: We never said that.

Mr. Cassidy: It is just about to come. If ever the multinational oil companies were looking for friends and were looking for defenders they will find them in the Liberal party in Ontario.

Let me get back to last Thursday. There was a meeting of the House leaders and the House leader for the Conservative party, who is now trying to save Canada up in Ottawa, said to the opposition House leaders: "I think we are going to need interim supply tomorrow after all. Our spending authority runs out on Saturday." He did not want to be premature about it so he dilly-dallied from October 13 until about October 29 before making that proposal.

Then he went on to say, "You know, fellows, this is a bit of a drag having to come back every three or four months to get authority for interim supply, so I think I will ask for interim supply from now until the end of March so we do not need to worry about these parliamentary niceties any more." The Liberal House leader said he was not so sure about that.

The House leader of the New Democratic Party said quite adamantly and coolly, "You should not do it." He said, "We are prepared to look at interim supply going until the end of December but not beyond that." He made it very clear it was an outrageous and unreasonable demand for the government to come in at the last minute and to ask for spending authority from now until the end of March.

The Treasurer should understand that now the Tories have a majority, interim supply has become pretty important. It is almost the only way by which the opposition parties can bring issues of pressing provincial importance to the attention of the government. It is the only way they can get the government to actually recognize and to listen to those concerns rather than rolling over them the way they can roll over almost anything else—the way the situation is now that the Conservatives have got a majority. But the government did not listen.

In addition to that, my energy critic, the member for Port Arthur (Mr. Foulds), said, "Would you please give us—

9:50 p.m.

[Applause.]

Mr. Boudria: Foulds for leader.

Mr. Cassidy: I see he has massive support from the Liberal caucus as well as from many members in the New Democratic caucus. Thank you, fellows, on his behalf.

Mr. Boudria: You are welcome.

Mr. Bradley: We supported you too, Michael.

Mr. Cassidy: Thank you very much.

Mr. Speaker, that question was answered with one letter which said, "This is the opinion of McLeod Young Weir"; but nothing else came in. We have been looking for information about Suncor as well because, among other things, we thought there were a number of very legitimate questions which needed to be raised so we could be comfortable with the deal and so this House could judge whether or not the government had made a mistake in failing to go for 51 per cent control of Suncor at the very beginning. Because right now what we have is a proposal to take 25 per cent.

It will be consummated on November 20 and we will then be in a position which is neither fish nor fowl. We will not have the advantages of what the Liberals are proposing, which is that we do not spend the money and we do not have any control or involvement at all, nor will we have the advantages of 51 per cent control. Fifty one per cent control would mean that not only

do we have a window, but we can direct Suncor in terms of making sure its operations are of the maximum advantage to the people of the province. We can make sure the manufacturing that goes on for Suncor's operations in western Canada is done in this province. We can make sure Suncor works for the maximum benefit of the people of Ontario. That is what we can get with 51 per cent control.

In addition to that, if we had 51 per cent, there would be a very big return immediately into the hands of the Canadian-controlled/Ontario-controlled Suncor because of the tax and incentive advantages which are given to companies with 50 per cent Canadian control under the energy policy that was announced about a year ago. The government did not do that and we have not been able to find a way of asking those questions. We have not been able to get the information on which we could base those questions. In other words, we are like mushrooms right now; we are kept in the dark and fed a limited diet of horse manure and that is all.

I would suggest the compendium that has been provided is quite inadequate and that before very long we need to redefine exactly what a compendium means. I was a member of the select committee on the Camp commission and it was clear we did not intend the compendium would be the perfunctory collection of documents we were given in the case of the Suncor affair.

As things stand right now, the number of statements that have been made by the government have not been adequately backed. The government says in the limited information that was made available there would be a 15 per cent return on the Suncor investment. Now 15 per cent at \$50 a share is equal to a return of \$7.50 per share. I am not sure whether the government meant dividends or whether they meant earnings, but even if we granted they meant earnings, Suncor's earnings were down in the second or third quarter of this year. They have had some problems. In other words, they are not achieving their targets right away. I would like to know what the government knew in estimating the earnings of the company which were only 69 cents a common share back in 1977, \$1.11 in 1978 and \$3.24 in 1979, would have continued to rise at such a rapid level there would be a 15 per cent return on the investment.

I would like to know as well how the government intended to pay the interest on the \$325 million which it intended would be borrowed from Suncor at double-A or triple-A

lending rates. The interest alone at 17 per cent amounts to about \$50 million a year. If the government intended to get a \$50 million dividend from its holdings in Suncor, that meant the company would be paying about \$200 million in dividends a year, and \$200 million in dividends a year happens to equal something close to one third of all of the dividends that were paid last year by all the foreign-controlled oil companies operating in Canada.

Suncor does not represent one third of the volume of production or assets of the foreign-controlled oil sector in Canada. It is considerably less than that. It may be that a change in dividend policy would have been required, but I think we should also have known what the tax position would be. If those dividends were paid out I presume the Ontario Energy Corporation would be exempt from federal taxation. Is that the case or not? We do not know and we cannot tell until we actually see the information made available to us.

I asked some questions in the House today. For example I asked what the situation would be with respect to acquiring 51 per cent. Had there been any recommendations from McLeod Young Weir or from Price Waterhouse? What would have been the tax advantages and disadvantages? As my friend the member for Algoma (Mr. Wildman) pointed out, there is \$300 or \$400 million in working capital sitting in Suncor, which is relatively rich in short-term liquidity.

How much of that could have been turned out and put into the hands of the Ontario government in order to offset the costs of getting 51 per cent instead of 25 per cent of the company? What will be the amount of money Ontario will have to put up front if it goes into a joint venture with Suncor for exploration in the arctic or western Canada? With only 25 per cent ownership in the corporation, what are the prospects of Suncor deciding it will put its priority in the Canada lands into the area of Hudson Bay, which is in this province and will have direct economic spinoffs for this province, rather than putting all its bucks into western Canada and a few into the frontier lands as has been its recent policy?

Mr. Boudria: Are you for it or against it?

Mr. Cassidy: I happen to think it is probably a good deal and I will give the members a couple of figures I have been able to discover that indicate what may lie underneath the Suncor

deal and that may have led the government to say they wanted to take acquisition of 25 per cent control of the company.

Mr. Boudria: Let the record show that the member for Sudbury (Mr. Gordon) is applauding.

Mr. Gordon: You are darn right. You fellows are so far right you are on the side of Attila the Hun.

Mr. Cassidy: Let me give the House an example. The member for Sudbury was in favour of acquiring Inco until he became a Tory and then he decided he was against it.

Suncor is listed as having 141 million barrels of oil equivalent in terms of oil and natural gas reserves. That is one bit of information we have been able to acquire in the course of our research in the last couple of days. If that oil was valued at \$30 a barrel—and the price will quickly go up to that with the energy policy and the energy deal with Alberta that has been announced—the net oil and natural gas equivalent is worth somewhere between \$3 and \$4 billion. Quite apart from the great Canadian Alsands plant, the refinery in Sarnia and the service stations in this province, that means for \$650 million we are acquiring a quarter of \$3 or \$4 billion worth of oil and natural gas. That is not bad. In other words, we are getting that, in the ground, for exactly what we are paying right now. That is not bad because everything else comes in for free.

On another basis of evaluation I have had a look at the 10-K document that was filed with the Securities and Exchange Commission. I have heard the minister and the Treasurer say they cannot reveal what Suncor is all about, because they have made a vow of confidentiality. The confidentiality Suncor is pleading when it deals with McLeod Young Weir and the Ontario Energy Corporation is a joke after one tries to read the documents that have to be filed according to federal law in Washington.

In Washington, Suncor, which has had about a fraction of one per cent of its shares in public hands through its preferred share issue, was compelled to file its production costs per barrel or per cubic metre of natural gas and oil last year. It has been forced to file its production cost per barrel of synthetic oil at the Alsands plant. It has been forced to file its reserves of oil, natural gas and synthetic oil equivalent. All these things are on public record and that is why it appals me that the government tries to hide behind some sort of veil when so much of the information could and should have been made

available at the point the compendium was made public. The government did not even need to publish their own documents; they could have given us a lot of stuff that was there in the public record if they had bothered to have any sense at all about their obligations to this Legislature.

10 p.m.

I have been checking into that. Suncor has 7,346,000 cubic metres of net proven oil reserves. Their value is about \$525 million according to the net profits estimates that are in the Securities and Exchange Commission documents. Suncor has about 10,000 million cubic metres of natural gas in reserves; their value by my very rough calculations is about \$620 million. It is sitting in the ground but that is what they could get in profits if they pulled it out of the ground today and managed to find a market for it.

Suncor has gross proven reserves of synthetic oil that are eight times as great as its proven reserves of traditional oil. It has 56 million cubic metres, which, at the prices now offered under the national energy policy and the agreement with Alberta, are a profit on the order of \$6 billion, although it will take about 20 years to get that oil out of the ground.

I cannot bring it back to present value, but getting a quarter ownership of \$6 billion worth of synthetic oil for \$650 million may not make such bad sense. My frustration as leader of the New Democratic Party is that when these crypto-Socialists go into this over there, these Tory pinkos—where is the Minister of Energy's pink tie?—do not make enough information available for us to know whether what we suspect is true or not. In addition, if what we suspect is true they do not make enough information available for us to ask, "Why the devil did you not go whole hog and take 51 per cent rather than just the 25 per cent you actually took over?"

That is why I find myself extremely frustrated. If Suncor were to pay the kind of dividends the Treasurer or the Minister of Energy has talked about they would be paying more in dividends this coming year than they earned in profits last year.

So something is out of whack. If Suncor is as good as they say we should be taking 51 per cent. If this is a defensible investment then for God's sake let them defend it. If this is a parliament then for God's sake let the government be accountable to the parliament rather than simply try to tell us that daddy knows best

or that papa Frank and papa Bob have got all the answers and we do not need to ask any more questions at all.

I am just looking at some more of the questions that I had here. I am looking also at the form 10-K. It is interesting to know that the working capital of Suncor has gone from \$86 million in 1977 to \$356 million today; that the assets of the company have doubled from \$915 million to \$1.7 billion between 1977 and today; that the company's profits, their funds from operations, have gone from \$94 million to \$418 million in four years; that their earnings from operations have gone from \$36 million in 1977 to \$306 million in 1980; that had this government been prepared to endorse the concept of Canadianization with some bucks just three or four short years ago they could have bought Suncor's Canadian operations probably twice over for the amount of money that today is giving us only 25 per cent. We want to have some of those kinds of figures as well in order to find out whether they made a bad deal because they did not act soon enough or whether it is a good deal today.

We have been looking at the share prices of some of the other oil companies and it is interesting that, in the market the week ended October 9, 1981, and paying the highest share price in those weeks, \$650 million would have purchased 76 per cent of British Petroleum, 41 per cent of Shell or 61 per cent of Texaco.

Maybe there were better deals available in the market for \$650 million than we have now, but we have not had the information from the government to know exactly what it was working with, what kind of deck it was playing from.

By the way, the Minister of Energy has yet to explain why he spent \$8,600 entertaining his campaign workers when that was only \$900 less than we paid in our entire campaign in the riding of Brock with Heatherlee Kilty, who should be here in the Ontario Legislature today.

Hon. Mr. Welch: Instead of me?

Mr. Cassidy: Yes. I told her on Saturday night I would say that here in the Legislature, and I say it right now. But since it is getting late I do not want to go in to all the stuff about election expenses. I just want to suggest to the government it should refer that question about a ceiling on election expenses to the Commission on Election Contributions and Expenses.

There should be a ceiling on those expenses comparable to the ceiling that exists now at the federal level if we are ever to get clean elections here in Ontario and if we are ever to get away

from the situation where the Conservatives are able to buy the election with "Preserve it, conserve it" ads and with the kind of gross overspending in which the Minister of Energy and all the Conservatives who were re-elected to this House indulged. I will not make that speech. I will make it somewhere else.

I want to make this proposal. I suspect when the Ontario Energy Corporation entered into its negotiations with Suncor that, because the majority was back, happy days were here again, it was April or May and people did not realize there are certain responsibilities even when one has a majority, and it did not think about the obligations of the government to this Legislature.

When they were asked for confidentiality, which might be normal in the private sector, they said, "Sure." They were wrong to say, "Sure." They should have said, "Look, we will keep it under wraps until the deal is announced, but then we are going to have to come clean to the Legislature and tell it what we did and why, and share with them the advice we were given."

It is going to take some time to unravel the mistakes made back in the spring. It is going to take some time to explain to Suncor's American parent why its information must be shared with the Legislature of this province. It may be because we have not gotten into this yet that it may take a bit of time to develop some mechanism by which certain information, which even the New Democrats might agree should be legitimately private, can be shared with the three parties without necessarily becoming public.

I want to suggest there is a precedent in the Legislature for doing just that. Some months ago a committee of this House was created because of the joint pressure of the opposition parties to investigate the Re-Mor affair. The Attorney General of this province (Mr. McMurtry) swore blind that he did not believe the information he had in his files should be made available; the investigative information had to be confidential and could not be shared.

We then proceeded to innovate. We set up a three-party group sworn to secrecy in which members, and I believe researchers, jointly had access to all the Attorney General's information but were sworn that the only information that would be made public was that agreed to be made public by all three parties. That particular deal worked.

That deal could work now on the very limited amount of information that might be required to

be kept secret. I would suggest that when we got down to looking at the Suncor documentation, the McLeod Young Weir reports and the Price Waterhouse reports and so on, we would find that large amounts of that information were already in the public domain, that other parts of that information were matters of opinion which should be made public if the government is to be accountable in its dealings with the private sector, and that very limited amounts needed to be kept private.

10:10 p.m.

I therefore want to suggest to the government that tomorrow, when we come back, they take it upon themselves to break the logjam into which they have now gotten themselves because of the stupid way they have handled this particular affair.

I am aware of the fact that certain cheques will not be sent out tomorrow and were not sent out today. I would like to make sure that my legislative assistant is paid when pay day comes along on Thursday, and there are 50,000 or 60,000 other civil servants who are anxious to get paid on pay day as well. If they are not paid, the reason will be the government's obstinacy in not understanding how the parliamentary process ought to work and in not understanding its obligations to share information with the opposition parties and with the public.

My proposal is very simple. I suggest that the government now acknowledge the impasse into which they have put themselves and be prepared to accept interim supply for only one month, until the end of November. My colleague the member for Algoma indicated we would support the motion of the Leader of the Opposition, as we will, but I intend now to move a further amendment that will grant the government supply for just a month, until the end of November.

Two things can happen between now and the end of November: In the first place, by November 20, we are told, the deal with Suncor will be signed; the impediments that may exist right now, because negotiations are still having the "i"s dotted and the "t"s crossed, will be over. Second, there will be the opportunity for the government to reconsider their stonewalling and to find means by which information that they now say is confidential can be shared with the Legislature.

If the government in its wisdom decides that it intends to continue to stonewall, so be it. Beginning November 30, or thereabouts, we can start this process all over again. As far as I am

concerned, since the issue is whether or not the Legislature of Ontario will have information on which we can make sound and informed judgments, we can sit here for a week, a couple of weeks or more than that. The government, if it wants to be so responsible, can deny the welfare cheques for people to give Christmas presents for their kids and can deny the civil servants the money they need to pay for their Christmas turkey and everything else; so be it.

But I am suggesting that there is now a means by which they can back away from this confrontation, by which they can make available the information that the Legislature needs and by which they can do so while we are assured that the one and only sanction we in the opposition parties now have, the right to debate interim supply, will continue to be there.

I suggest to the government that the other option they have is one that is not only going to be unacceptable to this Legislature—it is one that will sour relations in this Legislature for the next four years—but also will be unacceptable to the people of the province.

There is a rule in this House that allows for closure. It allows for the government, without notice, to bring in a motion that says the debate should be terminated and a vote should now be taken. As I recall, debate is not even permitted on the motion. It is an arbitrary kind of legislative rule which probably should not exist on our rule books. If the government intends to try to stifle debate like that, then on their heads be it.

We have had enough problems with rulings, which I am afraid to say we have not always found to be satisfactory, coming from a chair that was appointed by the government side. If the government chooses to abuse the rules of this Legislature by imposing closure, then we are going to be in a situation where there will be nothing but confrontation and battles from now until the election that will take place in 1984 or 1985.

I suggest that it makes an awful lot more sense right now to bend; to recognize they made a mistake in the spring; to tell their people at the Ontario Energy Corporation not to do it again; to acknowledge that they have to get some new rules for dealing with government intervention into the private sector; to make information that we require available; and to give themselves a month in order to make that information available.

I want to suggest as well that in the Re-Mor committee we have a precedent by which all

parties can be involved in deciding whether there is a certain limited amount of information that should still be left private and confidential and not made public.

I would now like to move my amendment. I hope very much that we can have an indication, even this evening, from the Treasurer or the Minister of Energy that the government will be prepared to go along with this because, let it be very clear, if there is any blocking of cheques right now on the ground that the government cannot pay them, the reason is its obstinacy and the way it has handled this particular issue.

Mr. Speaker: Mr. Cassidy moves, seconded by Mr. Wildman, that the amendment to the motion for interim supply be further amended to read, "commencing November 1, 1981, and ending November 30, 1981."

Mr. Boudria: Mr. Speaker, I want to rise to speak briefly on the amendment and now the amendment to the amendment. The members opposite are already starting to provoke me, Mr. Speaker. I do not want to get into a tangle of words with them yet, but it may come during the course of the conversation.

Mr. Speaker: Just ignore the interjections.

Mr. Boudria: I will address my remarks to the subject at hand, Mr. Speaker, because I am sure that is what you want me to do.

We in the Liberal Party are very concerned about the lack of proper financial management exercised by this government. We think it is most unfortunate that the government is choosing at this time to spend \$650 million on a company and on a venture that will do nothing to bring jobs to Ontario.

The member for High Park-Swansea (Mr. Shymko) is saying he wants to hear that again but, Mr. Speaker, we have to say it ad nauseam, I suppose, to make the government understand that it is very important. Maybe that member does not care about the fact that the people in his riding need jobs instead of investing in an oil company in Alberta, "where the action is," according to the words of some of the cabinet ministers.

Interjections.

Mr. Speaker: Order.

Mr. Boudria: A few members in the back row there are getting excited, and I do not really blame them. If I had to put up with what was going on in the front row of that—

Mr. Speaker: Will you address your remarks to the amendment, please?

Mr. Boudria: Yes, Mr. Speaker, but I was just referring to the fact that they share my concern, I am sure. They are only frustrated because they cannot express it the way I can as an opposition member of this Legislature.

Mr. Ruston: They are muzzled over there.

Mr. Boudria: Maybe that is a good word; they are muzzled.

Let us discuss what Suncor is going to do for Ontario. Last week we saw a full-page ad in the Toronto Sun. I see the very learned journalist sitting up there in the press gallery. This full-page ad in the Toronto Sun stated, "Come to work for Suncor in Alberta." So the government of Ontario is investing money in a company that will create jobs in Alberta.

Is this what the purpose of the government of Ontario is? Are we not supposed to invest in and create jobs in Ontario? It is fine for us. It is very nice. I know the government of Alberta is also a Tory government, but surely there is something more important than creating jobs in Alberta, when we think of the hundreds of thousands of people in this province who are looking for work, the people in my constituency and the constituencies of the members opposite who go to their riding offices on Fridays and Saturday mornings complaining to them that they cannot make ends meet with the welfare cheques they are getting and those kinds of situations. What can those muzzled members across there tell them? They can say, "I was not really involved." I suppose that is the only thing they can say to them.

I see the member for Sudbury (Mr. Gordon), who was applauding the Suncor deal a while ago, is applauding some more. I certainly hope it is on record that the member for Sudbury and the member for Brantford (Mr. Gillies) are applauding the fact that the government of Ontario has given up on this province. They are applauding that. Shame on them.

10:20 p.m.

Mr. Piché: Who wrote your speech? Did Mr. Nixon write your speech.

Mr. Boudria: I hear the member for Cochrane North is asking who wrote my speech. It was certainly not him.

Mr. Piché: We won't elaborate.

Mr. Boudria: Some of the members over there are saying that they want my predecessor back, but that has nothing to do with the topic at hand. I will try to ignore those interjections the best I can, Mr. Speaker, but you must appreciate that it is very difficult, as I am sure you will

understand.

I must say in passing, though, that my predecessor was 11 years without speaking in this Legislature. I am not going to try to beat that record. Maybe some of the members have been 11 years without speaking, and that is the kind of representation that the member applauds, but it is not the kind of representation that I intend to give to the people of Prescott-Russell. They have had enough of that nonsense.

Mr. Speaker: Now to the amendment.

Mr. Boudria: Yes, Mr. Speaker. I think this move on the part of the government is an admission of defeat. We heard the government tell us that Alberta is where the action is. The other day a cabinet minister said that, "Alberta is where the action is." That is shameful.

An hon. member: Are you trying for the leader?

Mr. Boudria: No, I am not trying for the leader.

But what is even more disappointing to hear tonight, Mr. Speaker, is that the New Democratic Party also has given up on this province. They want us to buy 51 per cent of an Alberta company instead of 25 per cent. They have given up twice as much to that tune as they have; they are even worse.

They want to buy a company that is based in the United States and owns resources in Alberta. That is the best thing that the NDP can think of doing with our money here in Ontario. That is shameful on their part.

Interjections.

Mr. Speaker: Order, order. The member for Prescott-Russell has the floor. Will you please address your remarks to me?

Mr. Boudria: Yes, Mr. Speaker. Through you, I want to say how disappointed I was tonight to hear the NDP speakers say that the best thing we can do with our money in Ontario is to invest in oil wells in Alberta. I thought the NDP had a policy of nationalizing Ontario industries, a policy of doing something with our industries here in Ontario. They, like the government, have given up. They want to go where the action is as well, or where they think the action is: Alberta.

We in the Liberal Party think the action is here in Ontario, Mr. Speaker. I am sure you share our concern for that.

Mr. Brandt: Tell us where the oil is.

Mr. Boudria: Some of the members on the other side say, "Tell us where the oil is." Maybe

those members have never heard of alternative energy. Our very learned colleague the member for Halton-Burlington (Mr. J. A. Reed) has been explaining to the members for a long time where we should be investing in energy to become self-sufficient in energy. We will never do it by investing in oil wells some place else. That is no way to become self-sufficient in energy.

The way to achieve that is to find resources of our own here in Ontario, not in Alberta, not in Pennsylvania and not in any other place. Ontario can only become self-sufficient in energy by investing in Ontario energy. I am sure the Minister of Energy (Mr. Welch) will agree with that. I am sure that the Minister of Industry and Tourism (Mr. Grossman) will agree that bringing those kinds of industries to this province would be a commendable thing. I do not want to address too many remarks to the Minister of Industry and Tourism on that. I am sure he must have tried his best in cabinet to have that money invested in Ontario, because that is the job of the Minister of Industry and Tourism. I am sure that is what he is concerned about.

As a matter of fact, we look at all the cabinet ministers and we think that every one of them would be concerned about Ontario, but it seems that collectively they are not. So how can we explain that individually they are all concerned yet all together they are not doing anything?

The members in the back row, I am sure, feel like saying something about that. They are not complimentary towards the Suncor deal.

Mr. Wrye: Ask them to defend it.

Mr. Boudria: That is right. My learned colleague the member for Windsor-Sandwich says, "Ask them to defend it." No member in the back row there stood up and made a brilliant exposé of just how worth while this venture was. They do heckle occasionally across the floor.

Mr. Wrye: Buy Suncor and close Laurentian University.

Mr. Boudria: My learned colleague the member for Windsor-Sandwich has been touring the province lately, and he knows we should be investing money in this province in our universities and our schools rather than in companies that are based elsewhere.

I have a little letter here that I wrote to the Premier (Mr. Davis), and I want to share it with the members if I can get the undivided attention of this House.

Interjections.

Mr. Speaker: Will the member for Cochrane North please refrain?

Mr. Boudria: Thank you, Mr. Speaker.

Mr. Speaker: The member for Prescott-Russell will please address his remarks to me.

Mr. Boudria: Thank you, Mr. Speaker. I was just going to do that.

I have here a letter that I wrote to the Premier and, since some members seem to be interested in my reading it, I will read it to them. The letter goes like this:

"L'Honorable W. G. Davis, Premier ministre et président du conseil, Legislative Building, Queen's Park, Toronto, Ontario."

Et ma lettre dit comme suit:

"Cher Bill, Je viens vous exprimer ma grande déception en apprenant que votre ministre de l'éducation, Bette Stephenson, ne pourrait pas nous assurer la construction immédiate de notre école de langue française à Orléans.

"Vous connaissez sans doute les problèmes des écoles françaises dans Orléans . . ."

Je suis content que le député de Carleton-Est (M. MacQuarrie) soit assis là, Monsieur l'Orateur, parce que le député de Carleton-Est cette école-la à laquelle je réfère dans ma lettre est située dans son comté. Il ne s'est même pas levé dans cette assemblée pour parler de cette très importante question. Alors j'espère qu'il va porter attention aujourd'hui.

"Vous connaissez sans doute les problèmes des écoles françaises dans Orléans, soit les écoles Préseault et Reine des Bois qui sont utilisées"—

Mr. Speaker: A point of order; the member for Muskoka.

Hon. F. S. Miller: Pourquoi vous discutez en tel problème?

Mr. Boudria: For the benefit of all members, I am reading a letter in response to the government, which is telling us it cannot build a school in our riding, yet it can spend \$650 million outside this province and \$10.6 million to buy a jet. I was just about to read to members how this government has money for all those things but

cannot invest in our children, who are the future generation of this province. Now, if I may continue with my letter:

"Certaines classes ont même lieu, à l'heure actuelle, à l'ancienne école St. François qui est un immeuble mal ventilé, sans terrain de jeux et possédant un toit défectueux."

Et je dit comme suit dans ma lettre:

"Si vous avez besoin de fonds, permettez-moi de vous suggérer que si vous vendiez votre avion, nous pourrions facilement avoir notre école, ce qui serait, à mon avis, un meilleur investissement."

Et je suis certain que le Trésorier serait d'accord que d'investir l'argent dans l'éducation de nos enfants serait un bien meilleur investissement que dans un avion réacteur pour lui et les autres membres de son cabinet.

I know the Treasurer is saying that I am making a mistake, that we should not be investing in education, that we should buy jets with our money, that this is a better form of investment. I do not agree with that statement. I think there are much better ways to use our money than in buying a jet, especially when we have all these great needs.

It would be fine if we had lots of money in this province; if we just did not know what to do with it, we could buy ourselves all these expensive toys and invest here and there and be generous and all these kinds of things. But this is the same government that has been preaching to the people of this province, as my learned friend the member for Kitchener-Wilmot (Mr. Sweeney) was saying a while ago, that we have got to economize; we really cannot do foolish things with our money because we need it for all kinds of important things. What kind of example are they setting? It is terrible.

On motion by Mr. Boudria, the debate was adjourned.

The House adjourned at 10:30 p.m.

CONTENTS

Monday, November 2, 1981

Government motion

Interim supply , resolution 10, Mr. F. S. Miller, adjourned.....	3089
Adjournment	3113

SPEAKERS IN THIS ISSUE

Boudria, D. (Prescott-Russell L)
 Bradley, J. J. (St. Catharines L)
 Breagh, M. J. (Oshawa NDP)
 Cassidy, M. (Ottawa Centre NDP)
 Cousens, D.; Acting Speaker (York Centre PC)
 Cureatz, S. L.; Deputy Speaker (Durham East PC)
 Elgie, Hon. R. G.; Minister of Labour (York East PC)
 Gregory, Hon. M. E. C.; Minister without Portfolio (Mississauga East PC)
 Mancini, R. (Essex South L)
 McCague, Hon. G. R.; Chairman, Management Board of Cabinet (Dufferin-Simcoe PC)
 Miller, Hon. F. S.; Treasurer of Ontario and Minister of Economics (Muskoka PC)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 Piché, R. L. (Cochrane North PC)
 Ruston, R. F. (Essex North L)
 Samis, G. R. (Cornwall NDP)
 Shymko, Y. R. (High Park-Swansea PC)
 Stokes, J. E. (Lake Nipigon NDP)
 Sweeney, J. (Kitchener-Wilmot L)
 Turner, Hon. J. M.; Speaker (Peterborough PC)
 Welch, Hon. R. S.; Minister of Energy (Brock PC)
 Wildman, B. (Algoma NDP)
 Wrye, W. M. (Windsor-Sandwich L)



Ontario, LEGISLATIVE ASSEMBLY

No. 87

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Tuesday, November 3, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Tuesday, November 3, 1981

The House met at 2:02 p.m.

Prayers.

SPEAKER'S ROLE

Mr. T. P. Reid: Mr. Speaker, I rise on two points of privilege. One deals with an article in the Toronto Sun yesterday in which you and your office are called into some question in regard to an article by David Oved. In that article, there is some question as to your being called in by the Premier and given marching orders and told—if I can recall the exact words—“to keep a tighter rein on the opposition.”

Sir, I have a great deal of faith in your personal integrity but not so much in the government. I was surprised, quite frankly, that you yourself did not rise as Speaker of the House and as the, I hope, nonpartisan protector of the rights and privileges of all members of the House and make some comment in regard to that article. I think it casts aspersions on the office of Speaker, yourself and your personal integrity. I hope you will respond to that article in the House so that members on all sides can be assured you are completely nonpartisan and you see your duties and responsibilities to protect the rights and privileges of individual members of the House.

CONSTITUTIONAL NEGOTIATIONS

Mr. T. P. Reid: I think the second question of privilege, Mr. Speaker, also relates to all of us as members of this assembly. Again in the Toronto Sun and in other media, we have seen today articles relating to the constitutional process in Ottawa and dealing with the constitutional process between the 10 Premiers and the federal government. There are a number of quotations related to both the Premier (Mr. Davis) and the Minister of Intergovernmental Affairs (Mr. Wells) in regard to Ontario's veto.

I do not wish to prejudge the constitutional negotiations that are going on, but one thing that really concerns me is the fact that—I want to put this in a bit of a wider context—we, as members of this House and as individuals of whichever party we belong to never have an opportunity to debate any kind of federal-provincial agreement. This is so whether it be a

Department of Regional and Economic Expansion agreement, the federal-provincial financing of the health care system or whatever it is.

The obvious example before us is that we, as members, have to pick up the press or watch the news on television and learn what the chips are in the constitutional game and what chips Ontario, through its Premier, is prepared to play. It seems to me that we as a legislature have a responsibility to all the citizens of Ontario to discuss these matters, to be unified in our approach and to be aware of what is going on in this process. The member for—Brant-Oxford-Norfolk, the honourable Mr. Nixon—

Mr. Breithaupt: Dr. Nixon.

Mr. T. P. Reid: Dr. Nixon—he has an honorary degree in French—

Mr. Nixon: I have it in law.

Mr. T. P. Reid: —raised this question last week with the Minister of Intergovernmental Affairs as to what negotiating power or avenues were open to Ontario to assist in the constitutional deadlock. The member asked specifically at that time, “Are you prepared to give up your veto power in this negotiation?” The Minister of Intergovernmental Affairs, as is the habit of the government, refused to deal with that.

This is the most fundamental, most vital thing that has happened to this province in many years and it affects us all as legislators and as citizens of Ontario and Canada. Yet there is no mechanism, or seems to be none, for us to deal with these matters or to be involved, as we should be, representing the people of Ontario. So I think you, Mr. Speaker, as the guardian of our rights and privileges, as the protector of the constitution, written and unwritten, of the people of Ontario, should consider this question and try to tell the House and the people of Ontario how we participate in these very vital matters.

SPEAKER'S ROLE

Mr. Martel: On the first point of privilege raised by the member for Rainy River (Mr. T. P. Reid), Mr. Speaker, I, too, read the article by Mr. Oved yesterday. As was my friend, I was somewhat surprised, particularly in view of the fact the Premier only about 10 days ago, when

discussing these matters in the Legislature, called on the former Speaker, the member for Lake Nipigon (Mr. Stokes), to attest to the fact that he had never attempted, in all his years, to influence a Speaker.

I would hope that continues but the only way the House will have any assurance is if Mr. Speaker himself indicates that such a meeting did not occur. If it did, it certainly jeopardizes the Speaker's position. I hope it did not occur. I hope, Mr. Speaker, you could indicate to us it did not, so we could be assured your impartiality remains the way it should be.

2:10 p.m.

Mr. Speaker: I would like to respond briefly to the point of privilege. I must confess I have not read the article. I came in rather late yesterday morning and did not get an opportunity to see the morning papers. However, if the matters to which both honourable members refer are true, I want to take this opportunity to assure all honourable members of this House that, lo these many years, I have never been in the Premier's office at any time. However, I shall take a look at the article and respond more fully.

STATEMENTS BY THE MINISTRY

ASSOCIATION OF FRENCH-SPEAKING PARLIAMENTARIANS

Hon. Mr. Baetz: Mr. Speaker, I am pleased to inform the House of the formation of an Ontario section of the International Association of French-speaking Parliamentarians. The new Ontario section includes approximately 20 francophone or bilingual members of the Legislative Assembly.

At its founding general assembly, held on Thursday, October 29, 1981, the Ontario section approved its constitution and elected its executive members. I will recite them in a moment.

Founded in 1967, the International Association of French-speaking Parliamentarians includes representatives of more than 20 countries of Europe, Africa, North and South America and Asia. As does the international association, the Ontario section intends to promote close co-operation between parliamentary members of the association and to contribute to the establishment of a true dialogue between cultures. The Ontario section aims to encourage all activities and events likely to provide exchanges between Ontario parliamentarians and their francophone colleagues.

In the spirit of this welcome development, M. le Président, il me fait un grand plaisir d'annoncer à l'Assemblée législative la création d'une section ontarienne de l'Association internationale des parlementaires de langue française. La nouvelle section ontarienne regroupe une vingtaine de membres francophones ou bilingues de l'Assemblée législative.

Au cours de la première assemblée générale de la section, qui s'est tenue le jeudi 29 octobre 1981, les statuts ont été adoptés et l'exécutif a été choisi. Les membres de l'exécutif sont les suivants: Président honoraire, L'honorable John M. Turner, Président de l'Assemblée législative; président, M. Don Boudria, député de Prescott-Russell; vice-président M. Yuri Shymko, député de High Park-Swansea; secrétaire parlementaire, M. George Samis, député de Cornwall; trésorier parlementaire, Sheila Copps, député de Hamilton Centre; directeurs, M. Michael Cassidy, député d'Ottawa Centre et M. René Piché, député de Cochrane North.

Fondée en 1967, l'Association internationale des parlementaires de langue française réunit les représentants de plus de vingt pays à travers le monde—de l'Europe, de l'Afrique, des Amériques et de l'Asie.

Comme l'association internationale, la section ontarienne a pour but de promouvoir une étroite coopération entre les parlementaires francophones et de contribuer à l'instauration d'un véritable dialogue des cultures. Elle vise à encourager les échanges de toutes sortes entre les parlementaires ontariens et leurs collègues francophones.

Mr. Boudria: Monsieur l'orateur, je vais seulement prendre quelques moments pour remercier l'honorable ministre d'avoir lu ce communiqué et je voudrais aussi vous remercier vous pour nous avoir aidés à fournir cette organisation de l'Assemblée législative ontarienne.

Je crois qu'il est très important aussi de remercier l'Honorable député de Lake Nipigon qui a lui aussi travaillé pour former cette organisation, de faire servir les membres de cette organisation afin d'épanouir la langue française en Ontario. Merci beaucoup.

Mr. Cassidy: Monsieur l'Orateur, de la part du Nouveau Parti démocratique comme membre de l'Association des parlementaires de langue française j'aimerais simplement dire comme je suis heureux au nom de mon parti de la formation de cette association et de la section ontarienne. J'ai l'intention de prendre une part assez active puisque dans mon comté il y a 20 pour cent de la population de langue française

et parce que depuis mon élection en 1972 j'ai veillé à la reconnaissance du français en Ontario dans ce parlement et puis la reconnaissance aussi des besoins des Franco-Ontariens dans les services gouvernementaux.

Je crois qu'en termes de la connaissance du problème des Franco-Ontariens cette Association des parlementaires doit être bien utile et je suis bien heureux que l'Ontario maintenant soit un adhérent. Merci, monsieur.

DUMP TRUCK OWNER/OPERATORS

Hon. Mr. Elgie: Mr. Speaker, in late 1979 I appointed Professor S. R. Ellis as an industrial inquiry commission pursuant to section 34 of the Labour Relations Act. Professor Ellis' mandate was to inquire into and report to me concerning the application of the dependent contractor provisions of the Labour Relations Act to dump truck owner/operators in the aggregate producing and roadbuilding industries.

In June of this year part one of the commission's report was released and tabled in the Legislature. It will be recalled this first part of the report dealt specifically with the application of these provisions in the aggregate producing industry. Today I wish to table the second and final part of the commission's report. Part two examines the implications of the dependent contractor provisions in the roadbuilding industry.

As the members will see, parts one and two, taken together, represent a detailed analysis of the characteristics of the owner/operators' function in these two industries. I do not propose to summarize the commission's conclusions and recommendations at this time. The complete report is now being reviewed by the staff of my ministry. In the coming weeks I expect interested parties will make their views known to me as to what action they consider appropriate in the light of the commission's recommendations. I will, of course, advise the House when our review of the report and of those representations has been concluded.

ORAL QUESTIONS

ONTARIO ENERGY INVESTMENT

Mr. Smith: Mr. Speaker, a question for the Minister of Energy: The minister will recall he explained in the House yesterday the reason the government announced its intention in the Suncor deal on October 13, rather than waiting for the actual deal to be signed, was because—and

I quote the minister—"we had to by virtue of the rules and the regulations which govern the shareholdings in the United States." Will the minister kindly identify or explain to this House what these regulations are and how they operate in the case of Ontario's acquisition of 25 per cent of Suncor?

Hon. Mr. Welch: Mr. Speaker, it is my understanding that once the Suncor or Sun Oil people had signed the preliminary agreement—the letter of intent—within a certain period of time they had to notify the federal regulatory authority. It became a matter of timetable that we would then announce it to the House at the same time this information was being transmitted in accordance with the regulations governing such transactions in the United States. We would do so keeping in mind that, as the honourable Leader of the Opposition knows, the common shares of Sun Oil are traded in the United States and there are some Securities and Exchange Commission regulations that govern activities as far as New York trading is concerned. That is my understanding of the reason.

Mr. Smith: By way of supplementary: The understanding of Mr. Badolo in the office of the chief counsel of SEC in Washington is that Suncor shares are not listed on the exchange. As for Sun Oil, there is no obligation inasmuch as Suncor represents a very small fraction of Sun Oil's assets. Not only is there absolutely no obligation at all on Sun to make such a disclosure, but no such declaration and no documents have been registered with the Securities and Exchange Commission in Washington, New York or any place else.

2:20 p.m.

If there is some specific regulation, would the minister please let us know what it is? If he cannot name the regulation—and according to the SEC no such regulation exists that compels Sun to do anything of the sort—would the minister give us a more acceptable explanation of why the announcement was made some considerable time before the actual deal was signed?

Hon. Mr. Welch: Mr. Speaker, I think the latter part of the question is not correct. We signed the letter of intent and announced it to the House. The honourable Leader of the Opposition is making reference to the ongoing negotiations, included within that letter, that will culminate in a formal agreement around November 20. We mentioned that. Once that is formalized we intend to table that agreement. It has always been our intention.

I cannot provide the honourable member with any further details except that I was advised a certain procedure had to be put into place with respect to the announcement and the time of the announcement. Corporate people from the Sun Oil Company in the United States were here, prepared to make the necessary calls. It is true a number of preferred Suncor shares are traded here, but Sun shares are traded in the United States. I cannot provide any further information. People who advise me with respect to these matters told me this was the way the procedure had to be.

Mr. Cassidy: Supplementary, Mr. Speaker: According to the regulations of the United States Securities and Exchange Commission, Suncor filed a voluminous 10-K document in Washington around April of this year. Among other things, this document contained such normally secret proprietary information as the cost of production for its oil and natural gas, the cost of production and the sales revenues for each cubic metre of its synthetic oil production in western Canada, and very detailed estimates of its oil reserves, natural gas and synthetic oils as well as its drilling and exploration plans and the proportion of ownership in each case.

Can the minister explain to this House why all that information should have been made available under the regulations of an American authority? Yet here in this Legislature, the ministry and the government were not prepared even to try to table anything of comparative frankness for the benefit of the people who are buying Suncor?

Hon. Mr. Welch: Mr. Speaker, I cannot indicate to the House that I have been through all of this material, line by line. But certainly some time yesterday, prior to the honourable member's contribution in the debate last evening, I made inquiries with respect to some information and was told about this 10-K. I was told at that time there was nothing in that document not incorporated in a number of other documents that are public knowledge and information. Most, if not all, are included in the documentation tabled. I was told that. I myself have not checked that, and I share that with the member.

Mr. Smith: May I ask the minister by way of supplementary, having signed the agreement in principle, which was announced on October 13, why can we not see what the agreement in principle was? Why has the government withheld it pending the final contract being signed

before the end of this month since there are already signatories on this deal? The answer on the Order Paper question said the agreement cannot be provided to us because it may unduly impact on the final negotiations now under way.

Will the minister please explain to the House, on behalf of those who have advised him, how releasing that information on something the government has already signed, an agreement it is already party to and Ontario has been bound by, will somehow impact on later negotiations since there is no way to get out of what has been signed anyway? Why can we not see what has already been signed since the government thought enough of it at least to announce the outlines of it in the House?

Hon. Mr. Welch: Mr. Speaker, I can understand that question and certainly would like to attempt to be helpful in this answer. I think it is quite clear we are going to table the final agreement. There is no question about that. Some things are still being negotiated which I referred to in the preliminary document to which the Leader of the Opposition makes reference. One of these is that—and I have shared this with the member before—although there are some general terms with respect to the maximum period of time for the repayment of the balance of the purchase price and some reference to the favourable borrowing position of the province as it will reflect itself in interest rates. There is room for negotiation and manoeuvre within those limits.

We are in the middle of those negotiations right now. It would not be in the best interests of the people of Ontario at this point in the negotiations for me to do anything further. I would indicate to the Leader of the Opposition that once those things are finalized they will be incorporated in the final agreement, which will be tabled. There is nothing mysterious about that; people understand that.

Mr. Smith: Why announce it at all, for heaven's sake? I don't accept that answer.

Mr. Speaker, I have another question for the Minister of Energy, since the Treasurer (Mr. F. S. Miller) is not here and other senior ministers are engaged in constitutional negotiations. Oh, the Treasurer is here. Perhaps I will ask him, then.

The Treasurer will be aware that the summaries he has given us, of the McLeod Young Weir study and of the Price Waterhouse study, both say the price being paid by the government is an appropriate price according to their understanding of the market if one wishes to acquire, in a block, 25 per cent of the shares of Suncor.

May I ask specifically for other information that may be contained in those reports? Did either of those studies specifically say that purchase was "a sound investment for Ontario taxpayers"—not just that this was the price the government would have to pay, but that it was a sound investment? And did either of those reports ever state specifically that the purchase would guarantee a return on investment of 15 per cent?

Hon. F. S. Miller: Mr. Speaker, if the Leader of the Opposition is asking for the exact words then I would not be able to say. I do not believe that question was posed, nor do I believe it should have been posed.

I would point out the decision as to whether one should or should not buy the asset was quite properly taken by the elected people of this province. And if they chose to do so their major interest was to make sure the acquisition, which in our mind was desirable, was made at a price deemed to be fair from our point of view, taking into account the value of the assets of the company and the interest rates of the day. All those factors are part of the appraisal process used by any competent appraiser.

Three or four years ago a business that was appraised when interest rates were 14 per cent had a higher total value than it has today when interest rates are 20 per cent, all other things being equal. They used the interest rate market of 1981 and all the normal tests and they came up with a price range. We are in the three-quarters level of that range.

So I would say the question was properly ours to decide whether we wished to acquire it; theirs was to say whether the price was right.

Mr. Smith: By way of supplementary, Mr. Speaker: The Treasurer speaks, of course, of a decision made apparently by four elected people, one of whom objected, and one nonelected person, Mr. Rowan.

But leaving that aside, the Treasurer has not answered whether McLeod Young Weir or Price Waterhouse ever stated specifically that the purchase would guarantee a return on investment of 15 per cent. If they did not state that in their reports would the minister then care to tell the House why the Premier and Mr. Rowan were able to give that figure as their estimate of what the return was likely to be? Did either McLeod Young Weir or Price Waterhouse include in their reports the real cost of this purchase to the province, including the cost of the interest the province will have to pay on its money? Or did they simply say if the

government wanted to buy 25 per cent of Suncor this is what the market price would likely be?

Hon. F. S. Miller: Mr. Speaker, the Leader of the Opposition is either unable to understand the process of appraisal or unwilling to do so. Obviously, for an asset to be worth anything from a business point of view it has to be able to generate some money, potential or existing, in order to pay for it. I do not know where the 15 per cent came from. I am sure if you asked the Premier—

2:30 p.m.

Mr. Smith: Just tell us where it came from.

Hon. F. S. Miller: I saw it in the press.

Interjections.

Mr. Speaker: Order. Allow the Treasurer to proceed with his answer.

Hon. F. S. Miller: I was trying to point out if today the gross return of an investment was worth 15 per cent, the figure the member has just used, and interest rates are 17 per cent, he is going to tell me he is losing two per cent.

Mr. Smith: No, I am not. I just asked who told you 15.

Hon. F. S. Miller: All right. Yesterday when one of your members said 17 per cent plus 15 per cent—

Mr. Smith: Why doesn't the minister just answer the question?

Hon. F. S. Miller: I am trying very hard to answer it. I listened to the Leader of the Opposition when he posed it.

Interjections.

Mr. Speaker: Order.

Hon. F. S. Miller: I said to the press yesterday, Mr. Speaker, that whenever this gentleman is losing a battle he interjects. He has the habit of interjecting to stop any one from answering his questions when he is losing.

Interjections.

Mr. Speaker: Order.

Hon. F. S. Miller: In any case the process we used of asking the two consultants to give us a price would, if their tests have been done properly, produce a reasonable and expected rate of return in addition to the costs of the purchase. That would be expected, of course, whether it is 15 per cent or 20 per cent they used as their measuring stick. They would use the normal criteria for a return on investment in today's world.

After asking not only one but two companies

to make that appraisal, both of whom came up with \$550 to \$675 million as the price for that block of shares, I am satisfied they have used the proper interpretation of the financial data. I am satisfied the investment is worth that much money and we could expect to make our normal returns on that money.

Mr. Wildman: Supplementary, Mr. Speaker, the Treasurer has indicated the consultants were asked specifically about price and not return. Can he tell us who—

Interjections.

Mr. Speaker: Order.

Mr. Wildman: Can the minister please tell us who made the decision? Was it his ministry? Was it the Premier's office or was it the Ministry of Energy that did a study to determine that 25 per cent was a reasonable and acceptable amount of the shares to be acquiring and for that reason he asked the consultant to look at the price of that portion of the shares?

Hon. F. S. Miller: First, I am sure my friend knows that asking me, as a minister of government, who made a decision is not correct or proper. The government of this province has made the decision collectively, and this is something that party will never understand. Collectively we stand by the decisions of our cabinet in a united way in public, and always have done, and that explains a good many things in this province.

Mr. Peterson: Final supplementary, Mr. Speaker: It is extraordinary that the Premier in his press conference anticipated a 15 per cent return, yet the Treasurer does not know. But is the Treasurer aware that a 15 per cent return net after tax on a \$650 million investment is \$97.5 million a year? This is in addition to the debt servicing of \$110 million a year, which will require Ontario's share of profit to be \$207.5 million a year, a total profit generated from Suncor in Canada of \$830 million a year, about two and a half to three times what it made in 1980. Is he telling this House that company is going to make \$830 million this year and for the years in the future or for the next 10 years?

Hon. F. S. Miller: I have a great deal of respect for the member's economic ability, but I have to tell him that a lot of people making investments in this province do not have immediate identifiable cash returns like that.

Interjections.

Mr. Speaker: Order.

Hon. F. S. Miller: Very often the most important part of the real net return on investment is the increase in value of an asset, not the dividend paid.

Mr. Speaker: A new question; the member for Ottawa Centre.

Interjections.

Mr. Speaker: Order. The Leader of the Opposition has had the opportunity to ask questions. The member for Ottawa Centre has the floor.

ECONOMIC POLICY

Mr. Cassidy: Mr. Speaker, I have a new question for the Treasurer about what the government plans to do about the economic situation this winter.

A year ago the Treasurer brought in a mini-budget which he said was designed to help assist millions of taxpayers, to give economic leadership and to provide effective short-term stimulus to the economy. That mini-budget was worth about \$1 billion, including a \$260-million tax cut on a number of major items like vans, trucks, appliances and tourist accommodation.

Will the Treasurer tell the Legislature whether the government intends to bring down a mini-budget this winter, in view of all of the indications that this winter will be much worse, in economic terms, than last winter?

Hon. F. S. Miller: Not at this point in time, Mr. Speaker. On November 12, the honourable member will have an opportunity, as I will, to see what is in the federal finance minister's budget.

Mr. Wrye: We want to know what you're going to do, Frank. That's the question.

Mr. Speaker: Order.

Hon. F. S. Miller: For all the criticism we make of Ottawa on a daily basis, I have every reason to hope that there will be measures in that federal budget to assist the overall Canadian economy and specifically some of the people hardest hit by the federal government's current ill-advised fiscal policies.

Mr. Smith: Sell your share of Suncor. Help pay their mortgages with it.

Mr. Speaker: Order.

Hon. F. S. Miller: Failing any such actions, I would have to reserve the right, as Treasurer of this province, to take actions needed at a point in time. Until I have had an appreciation of that budget, and until I have had a chance to see what effect it will have on the economy, I do not

think I should make that decision. But if I thought something within Ontario's affordability, jurisdiction and competence could help, I would be prepared to look at those things at that time, but not until I have seen the federal budget.

Mr. Cassidy: Can the Treasurer explain what is different about this winter from last winter?

Right now we have a rate of unemployment that is higher than it was a year ago. We have 28,000 more workers out of work than we had a year ago. We have chartered bank interest rates that are upwards of 20 per cent, compared with 12 per cent a year ago. And we have an inflation rate of 12.5 per cent, compared with 10.5 per cent a year ago.

Is it the case that the government only brings in a mini-budget to create jobs and protect workers when there is an election impending, and why is the government so cynical with people here in Ontario?

Hon. F. S. Miller: Does the honourable member really think that anything I could say in response to that question would change his mind? No, absolutely not.

One of the reasons the people of Ontario do choose us instead of the honourable member's party is that, instead of saying what is wrong with this province, we are able to see what is right about this province. There are 129,000 more people at work this year than there were a year ago. The NDP walks a very convenient one-way street.

Mr. Mancini: Mr. Speaker, since the Treasurer is going to be waiting for the federal budget to be brought down before deciding what he should do, I want to ask him, if there is no assistance in the federal budget to home owners who are being forced to the wall and being forced to leave their homes, will he then take action to assist those home owners in order that they can stay in their homes and try to meet their obligations?

Hon. F. S. Miller: Not until I see the federal budget, Mr. Speaker.

Mr. Cassidy: Between September 1979 and September 1980, unemployment in this province increased by 30,000, and the Treasurer came in with a mini-budget in which he was prepared to spend \$1 billion to get key industries going again. Specifically, there was action with respect to appliances, trucks, building materials, tourism, kitchen equipment and furnishings. All of those areas were assisted.

Why is the Treasurer refusing to act when

right now we have the housing industry in crisis, the automobile industry in crisis, the farm machinery industry in crisis, the appliance industry in crisis and the aircraft manufacturing industry in serious trouble?

Why will the Treasurer not recognize that we are in a serious recession now and that we need a works program to get people jobs this winter in Ontario?

2:40 p.m.

Hon. F. S. Miller: When appropriate, we take the actions we can in this province. I think we have been very successful with them. I can only go back to the criticisms made after May 19, when I brought in the new budget and we forecast a real growth rate in Ontario this year of 2.4 per cent. There were those people on the benches across from here who pointed out that I was smoking pot or drinking something to conjure up figures that optimistic.

The truth is that about a month ago we had to revise upwards the real growth for 1981 to 2.8 per cent, in large part because of some of the measures we introduced a year ago, with a degree of prescience that this side is noted for, to help avoid some of the problems through the winter period.

I am going to wait, because I think it is time that the federal government, with its newly acquired oil revenues, stepped in and did things in the interest of the entire Canadian economy. We do not carry it alone.

WELFARE PAYMENTS

Mr. Cassidy: Mr. Speaker, I have a question for the Minister of Community and Social Services. Can the minister explain why it is that on November 1, recipients of family benefits and of guaranteed annual income system payments got an eight per cent increase in their cheques in addition to the seven per cent they had on January 1, increases to compensate for the cost of living that hits people on low incomes particularly severely?

If that was the case, why was there no increase on November 1 for people in receipt of general welfare assistance when they have to pay the same increase in terms of their cost of living and when their benefits have risen at only half the rate of inflation over the course of the last six years?

Hon. Mr. Drea: Mr. Speaker, we announced the increases shortly before Labour Day, and I made it perfectly plain that, on a priority basis in meeting needs, the first increase went to start to

end the differential between people classified as permanently unemployable and disabled. Second, there was an eight per cent increase to family benefits recipients.

When the leader of the third party says there was nothing for general welfare assistance recipients, he is incorrect. We specifically designed a mandatory shelter allowance—

Mr. Cooke: That is for shelter, not for food.

Hon. Mr. Drea: My friend was the one who was up here last June barracking me. I went down to his municipality after that. As a matter of fact, I got a commendation from his municipality. If he wants me to take it away, I will take it away.

Mr. Foulds: Oh yes, there's the bully.

Interjections.

Mr. Speaker: Order. The minister will reply to the original question.

Hon. Mr. Drea: Mr. Speaker, I am replying.

Mr. Mackenzie: You always play the bully boy.

Mr. Speaker: Order.

Hon. Mr. Drea: I think it is a matter of record that a number of municipalities want me to rescind that increase, and I am not going to do it. But we specifically designed a mandatory shelter allowance that would be applicable to general welfare recipients to meet the greatest need this winter, which in our view is the cost of shelter.

Mr. Cassidy: Is the minister aware that, according to the Ministry of Community and Social Services, which we consulted, the maximum of \$50 is not paid by any municipality in Ontario? Is he further aware that, even if it were paid, \$50 a month is less than one fifth of what it costs to rent a one-bedroom apartment in Toronto right now and that the cost of rent just for an apartment exceeds what a single recipient of general welfare would receive in his entire cheque per month here in Toronto?

Can the minister explain why it is that he is extending this vindictive policy of nonsupport to some 50,000 sole-support parents who are now on family benefits but who he announced during the course of the summer were going to be transferred to the inadequate benefits available under general welfare assistance?

Hon. Mr. Drea: Let us just correct the record. Those people the member talked about got the eight per cent increase. Whether there is a single delivery system in the province, which we have accepted—it was indeed brought forward

year after year by the professionals in the municipal field through resolutions—does not apply to the rates people will receive.

We made no bones about the fact, when this announcement was made in September, that we had ended the universality of social assistance increases, that we were going to prioritize and that we were going to do it on the basis of greatest need.

When the honourable member talks about the apartments and so forth being available in Metropolitan Toronto, one of the difficulties in applying a general increase was that for those who were in assisted housing, whether it be Ontario Housing, limited-dividend housing or municipal housing across the province, when we raised their rates, including their rents, it was a paper transaction. Whereas those who were out in the real market, where they had to pay a private landlord in current dollars, were often left at a disadvantage.

The mandatory shelter allowance, because the municipalities have to pay it and many object, was designed as a supplement on top of the existing rental allowances in the general welfare assistance scale.

Mr. R. F. Johnston: Mr. Speaker, is the minister aware that the average price for a room with shared kitchen in Toronto today is \$50 a week? He is covering a week of that person's shelter costs. What about all the other costs those individuals have? Why is he not taking into account the general welfare needs for clothing and food, which he has to admit have increased in the last year?

Hon. Mr. Drea: Mr. Speaker, I do not want to leave the impression that the maximum is \$50 a week. That is a supplement on top of the existing rental scales. I looked at the greatest need, which had been demonstrated to be in the field of shelter, particularly for those who were not in subsidized housing. That is the particular area within the amount of funds I have that we decided to put forward at this time.

Mr. Martel: Mr. Speaker, can the minister tell us how these people are supposed to make ends meet, with the increased cost of food and the increased cost of clothing?

Hon. Mr. Drea: Mr. Speaker, I believe the allowances in this province are as fair and equitable as any social assistance allowances anywhere in North America. What is quite often missed in this Legislature is the fact that many people, who are not on any form of social assistance, face just as difficult times because of

the combination of high inflation, high interest rates and an economy that is not providing sufficient jobs for the population.

ONTARIO ENERGY INVESTMENT

Mr. J. A. Reed: Mr. Speaker, I have a question for the Minister of Energy on the subject of you know what.

The minister is no doubt aware of the statement made by the Premier in his press conference regarding the proposed acquisition of 25 per cent of Suncor, that this \$650 million, to use the Premier's words, "will not create any new industry in Ontario, nor will it produce an extra drop of oil."

Is the minister aware that a similar \$650-million investment in fuel alcohol plants in Ontario could have produced 430 million gallons of fuel alcohol per year by 1990? Or, to translate it another way, it could replace 15 per cent of our transportation fuel requirements by that time?

Hon. Mr. Welch: Mr. Speaker, perhaps we could just go back a minute to review some of the things that have already been said and get them in some context.

Although the honourable member is making some particular point on the creation of new jobs, I hope he is not overlooking what a lot of editorial writers have drawn to our attention in commenting on this deal: the importance of retaining jobs that are current.

Mr. Van Horne: Are they going to be here or in Alberta?

Mr. Peterson: What jobs were threatened?

Mr. Smith: Were they in Fort McMurray?

Mr. Speaker: Order.

2:50 p.m.

Hon. Mr. Welch: As far as Ontario is concerned, we understand that 65 per cent of our total energy requirements for the foreseeable future will be gas and oil. It is important, therefore, that we address the question of supply, and there are economic implications with respect to supply.

I will point out as well that the whole purpose behind the national energy program of the federal Liberal Party is, of course, the Canadianization of the oil and gas industry—

Mr. Peterson: It's to get people off oil.

Hon. Mr. Welch: Oh, no. Attached to that are very generous incentive grants for exploration. The honourable member knows that. He also knows that we have a company here that would

not be provided with the incentive to develop its present holdings without access to these particular funds.

The member knows that we announced in this House more than a year ago, in October 1980, that as part of a 10-point program—notwithstanding the fact that the Leader of the Opposition (Mr. Smith) did not quote this from the documents he was waving around yesterday—number nine of that 10-point program talks about an expanded role for the Ontario Energy Corporation, and included in that particular expanded role were ways and means in which it could assist in expediting the Canadianization of the oil and gas industry.

We are now identified with that; that will contribute to an improvement in the supply situation from which we obviously will benefit, and the availability and the security of supply do have some job implications as far as retaining jobs here is concerned.

Before we overlook some other points, as we understand and as the honourable member, who is a very intelligent person, knows full well, Ontario will benefit greatly by the expansion of the industry in that part of the country, because there are some estimates that a spinoff benefit of about one third will develop for industries in this province in so far as the megaprojects are concerned.

The member also will know, if he studies the material coming from this ministry, notwithstanding its quantity and notwithstanding the question as to its quality which was raised yesterday by my friend the member for Brant-Oxford-Norfolk (Mr. Nixon), that there is plenty of evidence, in so far as this House is concerned, that this ministry is not abandoning its responsibility in doing work in other areas of fuel substitution. In the 10-point program to which I have already made reference, there was \$75 million for alternative transportation fuels.

As I mentioned before, it is not an either/or situation. In the foreseeable future, oil and gas are still going to play a fairly important role. We are talking about a transition in so far as other fuels are concerned, and we have to be involved in giving some leadership to research and development here.

I think the honourable member will understand fully the need to join with other members in this House in hailing the Canadianization of the oil and gas industry. The people of this country support it, we are going to be identified

with it through the Ontario Energy Corporation and, without those incentive grants, those lands would not be developed; so it does add some oil.

Interjections.

Mr. Speaker: Order. I am going to recognize the member for Halton-Burlington with a supplementary, but I will ask his colleagues to refrain from interjecting and asking supplementary questions, please.

Mr. J. A. Reed: Mr. Speaker, the minister went to great lengths to fail to explain how the acquisition of 25 per cent of Suncor is going to add one drop of oil security to Ontario. He knows very well it will not; he knows very well it cannot.

Do the reports that are being held back by the government, the ones the opposition feels are necessary to evaluate properly this decision by the government, contain anything about the evaluation of the option of spending \$650 million on Ontario resources rather than on resources from outside the province?

Hon. Mr. Welch: Mr. Speaker, included among the material and the objectives are very ambitious targets for this province in making its contribution to crude oil self-sufficiency. Indeed, as the honourable member knows, within 10 to 15 years we would increase the amount of energy production within the borders of this province to 37.5 per cent.

I happen to be one who thinks in terms of Canada, not just Ontario, and I think it is about time that the member did that as well. I think anything that improves the supply and the availability of crude oil in Canada has to be of some benefit to Ontario as well, because we are still a very important part of Canada.

Mr. Smith: Keep it up and we will not be any longer.

Mr. Speaker: Order.

Mr. Samis: Mr. Speaker, can the minister explain his government's sudden conversion to Canadianization when his government has presided over the greatest sellout of resources and industry of any province in Canada in the past 30 years?

Mr. Speaker: New question; the member for Scarborough West (Mr. R. F. Johnston).

Mr. Foulds: Let the record show that there was no answer.

Interjections.

Mr. Speaker: Order. In the private members' questions I have allowed the original question, a supplementary to the original question and a

supplementary from the third party. That is what has been followed so far today; that will continue to be followed.

The member for Scarborough West with a new question.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Welch: Mr. Speaker, I did not realize there was a question. I thought there was a statement from the member for Cornwall (Mr. Samis) or Stormont, whatever it is.

The honourable member made some reference to our sudden conversion. It is certainly a consistent position of this administration. As far as oil and gas are concerned, he should read the documents; we have made that position—

Mr. Cassidy: The government has consistently been selling out.

Mr. Foulds: Why did you not take over Denison and Rio Algom?

Mr. Speaker: Order.

Hon. Mr. Welch: A year ago I stood in this very place to announce that 10-point program and, indeed, indicated that we saw this as a very important role for the Ontario Energy Corporation. This is not sudden; this is consistent.

Mr. Sargent: On a point of order, Mr. Speaker: The minister is the only man I know who can say absolutely nothing and mean it.

Mr. Speaker: Order. The member for Scarborough West with a new question.

RENTAL HOUSING

Mr. R. F. Johnston: Mr. Speaker, my question is for the Minister of Municipal Affairs and Housing. It concerns the assisted housing waiting list in Metropolitan Toronto, where there are 13,635 households, or 33 per cent more households, on waiting lists this year for public assisted housing in Metro.

Is the minister aware that not only are we losing boarding home spaces in the private sector but also the prices are now out of reach for people on fixed incomes? For instance, is the minister aware that a recent housing registry survey in the city of Toronto showed that the average price in the private market for rooms with a shared kitchen is up 83 per cent from last year to more than \$200 a month and that a one-bedroom flat is up 46 per cent to \$360 a month?

Since the Minister of Community and Social Services (Mr. Drea) seems unwilling to give those people enough money to afford it, what is

the Minister of Municipal Affairs and Housing going to do to increase the amount of assisted housing in Toronto? Will he tell us how many new assisted housing starts he has initiated this year to counter this problem?

Hon. Mr. Bennett: Mr. Speaker, we have brought in the Ontario rental construction loan program to try to stimulate rental factors all across Ontario and not just in Metropolitan Toronto. Indeed, we have had a fairly substantial takeup; as the honourable member will recall, in the agreements that are arrived at with each developer, 20 per cent of the units must be made available for rent supplement for people coming off the waiting lists of the various housing authorities in the communities they serve.

At the same time, we still have nonprofit public and private units and co-ops being built. I do not have the exact number with me today, but I think I have tabled at a previous time—and I am prepared to table it again, sir—the number of units that are currently under construction or have been completed this year related to those programs.

Mr. R. F. Johnston: I would like to send the minister some of the statistics from the housing registry survey for his information. Perhaps he would tell us how many of these assisted housing starts there are in Toronto, as I asked initially.

The minister might notice not only that there is a problem in the lack of availability and the cost but also that 40 per cent of the landlords in these housing registries refuse to take welfare recipients and 50 per cent refuse to take families with children.

We want to know what the minister is going to do immediately to make sure that people such as those in the cases I noted are not living in overcrowded, filthy and illegal housing and are not sleeping in the stairwells of city hall and other garages.

3 p.m.

Hon. Mr. Bennett: We will continue the programs we have had in conjunction with the federal government. I must say to this House that we have always worked in co-operation with the federal government under agreements in the supply of public housing or rent supplements.

I have to remind this House that if those agreements were to be changed it would be because the Canada Mortgage and Housing Corporation and the Federal government concurred. This province and every other province

in Canada, indeed even the territories, have always worked with CMHC in the provision of adequate housing in the field where it is publicly supported.

The question was asked, how many units? I take it the honourable member was referring to 20 per cent of them getting public assistance under the rental construction loan program. In Toronto we have 929, in Brampton we have 1,853, in Mississauga we have 2,467 units, in North York we have 902 and in Scarborough we have 1,861. Twenty per cent of those units will be made available to the housing authorities at the completion date.

Ms. Copps: Mr. Speaker, I ask the minister, who is so concerned about the provision of publicly assisted housing, to comment on a press release that his ministry released only last month showing that the rent on rental units for some 67,000 seniors in this province will categorically increase over the next two years as a result of a change in his ministry's policy. How can he sit here at the same time and say he is looking out for the interests of our senior citizens and our subsidized tenants when that just is not so?

Hon. Mr. Bennett: Mr. Speaker, I am not sure this is a supplementary. But if the member reads the press release, she will find out that it is not a change of policy; it is reforming and going back to the policy that the Liberals in Ottawa backed some years ago, asking us to try to adjust things.

CMHC has advised us very clearly, either we get back on the national position of rent geared to income in all of the public housing units or Ontario can pick up all of the cost of subsidizing those units in relationship to the downside in not going to the 25 per cent rent geared to income.

The press release indicates very clearly that CMHC not only would like to have \$13 million for not going to the 25 per cent in this current year that we are doing something for seniors, but also is looking for something like \$12.5 million in back payment for not going to it last year.

In the next short time, we hope we will have a common understanding and agreement by CMHC that the program will be implemented over the next two years to go national, and that this province will make no back payments to the federal government.

Ms. Copps: On a point of order, Mr. Speaker: It is a change of policy in the Ontario Ministry of

Municipal Affairs and Housing which is going to mean money out of the pockets of 67,000 senior citizens—

Interjections.

Mr. Speaker: Order.

FRANCOPHONE SCHOOLS

Mr. Sweeney: Mr. Speaker, I have a question to the Minister of Education with respect to the need for a French school in Orleans.

The minister will recall that this question was raised once before, and she challenged some of the figures that I presented to her. I have since checked with the Carleton Separate School Board and discovered that this school was number one on their priority list both in 1980 and in 1981.

Second, as of September 30, 1981, the enrolment capacities for the two French schools to which the children are being bused are 125 and 117 per cent, and the enrolment capacities of the two English schools in the same area are 56 and 49 per cent.

Will the minister now assure the French parents in Orleans that she will give approval to the board so that they can have a school in place by September 1982?

Hon. Miss Stephenson: Mr. Speaker, if the information provided by the honourable member is correct, that school board is capable of immediately providing a school for those francophone students simply by putting the anglophone students in one school. If those figures are correct, I see no reason at this point for constructing an entirely new school if one of the anglophone schools has a 49 per cent enrolment capacity.

Mr. Boudria: Mr. Speaker, does the minister not know that putting English-speaking students and French-speaking students in the same school will create problems in the community? Does she also not know that if they take an English school and make a French one out of it, that is going to create some more division in the community?

Recognizing that within a year those English schools will be filled anyway, and some of them do not even belong to that same school board but belong to the board of education, would the answer not be, instead, to build that school in time for next September to satisfy the needs of the French community of that area?

Hon. Miss Stephenson: Mr. Speaker, it seems to me my responsibility as Minister of Education is to ensure the dollars made available by

the taxpayers of this province are expended wisely, efficiently and economically. At this point, it would be difficult to suggest that, if there are two schools adjacent to one another operating at 50 per cent or less of capacity, one of those schools could be utilized for another group for which the capacity is obviously greater.

Mr. Cassidy: A supplementary question, Mr. Speaker: Is the minister not aware her lack of a solution contributes to the language tensions in the communities there because people want to ensure there is adequate schooling? And is she not aware the area in question is suffering overcrowding of the French schools because it is a growth area where a great number of new homes have been constructed? There will be new families living in the area in September 1982. Those needs should be met, and not by making pupils live in portables or be jammed together the way the minister is advocating.

Hon. Miss Stephenson: Mr. Speaker, I am not advocating they be jammed together at all. It seems to me reasonable and logical mathematics would provide for the honourable members the rationale for a solution. I agree there is great growth in that area because that board has been provided consistently with funds for the construction of new schools. It is one of the few boards in the province with that growth—

Mr. Cassidy: Because they have a growing population.

Hon. Miss Stephenson: I just said that. Why does the member not listen for a minute? If there is a current problem this year with overcrowding in two schools and obvious undercrowding in two others, there is a logical solution which could be implemented immediately and should be if those are the facts.

COMPETITION ACT

Mr. Samis: I have a question for the Minister of Consumer and Commercial Relations, Mr. Speaker. As the consumer representative in the cabinet, can the minister explain to the consumers of Ontario why he is allying himself with the forces of big business in opposing the proposed federal competitions legislation? I would urge answering in the House as opposed to in committee.

Hon. Mr. Walker: Mr. Speaker, there is a variety of reasons we are opposed to the competition act presented by Mr. Ouellet, the federal Minister of Consumer and Corporate Affairs. Basically we do not know exactly what

the act will be because of the submissions put forward last April by the minister. It was put forward in the form of a variety of questions.

We took a great deal of concern with it. One of the concerns we have is that it would cut back a lot of important matters in consumer interests. For instance, we could relate it to the price-fighting or at least the special brands fighting. We think to some extent the competition act as proposed could extend as far as including the elimination of no-name products. It is that kind of thing that is creating the problem with it.

Mr. Samis: The minister must realize that to the average person in Ontario his position is identical to that of big business, which has been consistently opposed to competition legislation. Could he tell us why, when we have the weakest competition legislation in the entire western world, we do not hear any positive statements from him as to what he wants to stimulate true competition in the marketplace? Does he agree with Jim Conrad of the Canadian Federation of Independent Petroleum Marketers who says, "Canada's basic economic problem is abusive market power by dominant firms and oligopolistic industrial sectors."

Hon. Mr. Walker: I have not had a chance to read the speech by the noted authority which is being provided. But it is our opinion the proposed competition bill Mr. Ouellet might introduce is simply a political reaction to a lot of high-profile mergers in the last while. Basically the end result will attempt to destroy competition as opposed to prevent anti-competitive behaviour. We think they are on the wrong track.

3:10 p.m.

Mr. Swart: A supplementary question, Mr. Speaker: If the minister, as he seems to indicate in his reply, is in favour of competition, why did he not mention one word in his four-page statement and subsequent nine-page proposal to the federal Minister of Consumer and Corporate Affairs at the conference in Quebec on September 3 about the need to maintain competition? Why did he rather support monopoly, semimonopoly and multinational enterprises all the way through that document? Does the minister not realize there are two sectors to his ministry?

Mr. Yakabuski: A crying shame.

Mr. Martel: The seals are at it again. Throw them another fish.

Mr. Speaker: Order. Would you please ask the question again; only the question not the preamble.

Mr. Swart: If the minister professes to be in favour of competition, why in the four page lead-in statement and the nine page proposal at the federal-provincial conference of consumer ministers in Quebec did he not mention one word about maintaining competition but came out solely on the side of monopoly and multinational corporate enterprises? Does he not realize there are two parts to his ministry including that of protecting consumers? Why has he become the mouthpiece for multinational monopoly corporations?

Hon. Mr. Walker: The interesting thing around this place is that some people not only have difficulty asking questions but they have difficulty hearing. The member asked that very question in the estimates committee a week ago and so directed his question that now he has to be asked to repeat it. The answer is going to be the same.

It was a critique of the questionnaire put out by the Minister of Consumer and Corporate Affairs in Ottawa. In addition, the entire day was spent talking about the competition policy. If we mentioned it once, we probably mentioned two dozen times that all the provinces recognize the interest of maintaining that. Indeed our communiqué, which was supported in that respect, indicated that. I spent the better part of an hour explaining to Mr. Ouellet how the consumer was going to be put at a disadvantage by reason of the proposed competition act and he knows that.

Mr. Speaker: A new question, the member for Hamilton Centre.

Mr. Roy: May I ask a supplementary?

Mr. Speaker: There have already been two supplementaries.

Mr. Roy: They were all on that side.

Mr. Speaker: They were the only ones who stood up at that time.

HAMILTON-WENTWORTH HOUSING AUTHORITY

Ms. Copps: I have a question for the Minister of Intergovernmental Affairs and Housing. Is the minister aware of a recent vote by regional council to take over control of the Hamilton-Wentworth Housing Authority because the province is doing such a bad job? If the minister is aware of that, will he move in to clean up a situation that was brought to his attention in this House as early as last May?

Hon. Mr. Bennett: Yes, I am aware of the request. I have already replied to the regional

council that we would be pleased to discuss it with them. I wonder if the member might like to be more specific about the details of the conditions? As she knows, we did meet and review some of the things that were happening in the Hamilton-Wentworth Housing Authority. We have looked at some of the requests made by the member and I think I have responded directly to her.

Ms. Copps: I reiterate that the situation was brought to the minister's attention six months ago. At that time, he promised action but we are still waiting. We are waiting on the issue of the 67,000 tenants facing an increase, the issue of assistance for housing to the people of this province, and we are waiting for him to do something about the mess of the situation. If he will not do anything immediately what is the purpose of his ministry?

Hon. Mr. Bennett: The member rambles on. We have had the opportunity to discuss some of these problems with other members from the Hamilton area and I have made it very clear we will take action where action is necessary. We have discussed it with the chairman of the Hamilton-Wentworth Housing Authority and I think the member is aware of that fact. There are some personality conflicts in that organization that I am sure will be worked out in due course.

As for the 67,000 senior citizens, I trust the member can read the press release. It clearly indicates the exact program relating to senior citizens. Before action was taken by this government through the Ontario Housing Corporation's recommendation, we went to the Ontario Advisory Council on Senior Citizens. The Provincial Secretary for Social Development (Mrs. Birch) conducted the meeting and we reviewed it with the council. They understood clearly what the problem happens to be in that situation, and they concurred with the actions of the government.

LANDLORD AND TENANT DISPUTES

Mr. Philip: Mr. Speaker, I have a new question for the Minister of Consumer and Commercial Relations. Is the minister aware of the situation at 131 Dunn Avenue in Toronto? The Parkdale Tenants' Association alleges that tenants have been evicted on the grounds that extensive repairs are to be done, though essentially only cosmetic changes have taken place. The association alleges the landlord has failed to issue proper notices and that notices for eviction are improper because the renovations that have taken place are not major.

Is the minister further aware that the landlord in that building is conducting a guerrilla war on the tenants by such actions as taking out windows and turning off the heat?

What is he going to do about this situation, which seems clearly to violate the Residential Tenancies Act of his ministry?

Hon. Mr. Walker: Mr. Speaker, the member has brought this matter to my attention now. I will have it addressed and respond.

Mr. Philip: Supplementary, Mr. Speaker: Is it not time the minister strengthened the Residential Tenancies Act so that landlords like this, who apparently flout the law, are punished? Under this act there are no penalties for landlords that would in any way compensate tenants for this kind of action.

Hon. Mr. Walker: We will look into that question.

Ms. Copps: Final supplementary, Mr. Speaker: The issue of nonessential renovations is a critical one across this province. When is the minister going to bring in stricter guidelines to establish exactly what is a renovation and what is not, so that landlords can stop trying to rip off the Residential Tenancy Commission by doing unnecessary renovations?

Hon. Mr. Walker: I do not know that I am coming in with guidelines, Mr. Speaker, but I will look into the question.

HOUSING LOAN PROGRAM

Mr. G. I. Miller: Mr. Speaker, I have a question for the Minister of Municipal Affairs and Housing. We took a tour of the Haldimand-Norfolk area only a week ago tomorrow under the direction of the member for Wilson Heights (Mr. Rotenberg) and only seven members were able to take advantage of it. I would like to ask the minister: Given the scarcity of affordable housing in Ontario and the difficulty the housing industry and the lumber business are in, would he consider allowing a reasonable rate of interest, as in the development of Townsend, so that the many vacant lots—several hundred, to be exact—in the Haldimand-Norfolk area and other parts of Ontario could be used for the construction of housing?

Hon. Mr. Bennett: Mr. Speaker, I indicated clearly a week ago, in answer to a question from the other member from the Haldimand area, we had told the construction industry in the Townsend area that if they took up mortgages before the end of June of this year they could have the preferential interest rate we were

offering to renewals of Ontario Mortgage Corporation mortgages. I said very clearly that I was not prepared to expand that program to other locations in the province.

Mr. Speaker: The time for oral questions has expired.

ONTARIO ENERGY INVESTMENT

Mr. Smith: On a point of privilege, Mr. Speaker: You are aware, of course, that we on this side of the House are very unhappy with the so-called compendium that was given to us on the subject of the Suncor deal, and you are perfectly aware this has been raised with you before. In that compendium was a statement by the Minister of Energy (Mr. Welch) which had been made on Friday, October 10. To rub salt in our wounds the minister has continually made reference to that statement as though it somehow or other signalled the Suncor deal—was the beginning of the planning for the Suncor deal—as though it somehow represents a full disclosure of how the Suncor deal got started.

Interjection.

3:20 p.m.

Mr. Smith: Friday, October 10, 1980. If I said anything else I stand corrected.

This statement can under no circumstances be given the interpretation of the minister. The title is "A 10-Point \$165 Million Energy Program." The 10 points, just to summarize briefly—I will not read them all—are as follows: There is a paragraph that says, "This 10-point program emphasizes energy conservation and oil substitution"—nothing about buying oil companies—"and includes the following initiatives:"

Point one is alternative transportation fuels; two is solar energy; three is conservation and off-oil programs; four is energy audits in municipalities; five is energy conservation in building; six is converting from oil to other energies; seven is oil substitution and industrial conservation programs; eight is conservation standards in the building code; nine is expansion of the Ontario Energy Corporation—note that point; and 10 is a skills development program for natural gas fitters and installers.

Obviously the entire program, and any role for the Ontario Energy Corporation, in that context is plainly in the field of substituting for oil and getting off oil. To make it even more certain, the second last paragraph of the speech says, "The programs unveiled today will help reduce Canada's dependency on crude oil. It is

my hope that the proposed federal off-oil program will be designed to both complement and supplement these initiatives."

There is no conceivable way that can be honestly read as indicating an intention to spend billions of dollars to buy a share of an oil company. The entire statement plainly is one of conservation and substitution, and speaks of being added to by the very idea of a federal off-oil program.

Therefore to say this means the compendium we received was truly pertinent and provided the background of the Suncor deal, is simply not to deal with the truth in any reasonable way at all. Furthermore, to make reference to the same repeatedly in question period, suggesting that was the signal of what the government was about to do, cannot in any way be taken as answers that are in correspondence with the facts.

Hon. Mr. Welch: Mr. Speaker, I fail to see where that is a point of privilege, because the honourable member will find that some of us will have an opportunity to take part in the debate. I think he has abused the rules of this House. He has already taken part in the debate on interim supply, and now, under the guise of a point of privilege, he tries to stay in the debate. I will have my opportunity to respond to that and to develop the theme I have been developing in answers, when I take part in the debate later on today.

Mr. Speaker: If I may just respond very briefly—and you did not make the request—there have been previous questions asked of the Speaker to make sure the compendium complied with the standing orders.

I have taken the matter under advisement. I have looked it up in May's parliamentary practice. I do not have the written document with me, but as best I can recall from memory, under chapter 19 it states very clearly that the tabling of documents is the responsibility of the government. If people are not satisfied with the information provided, then they appeal to the government to make it available, not to the Speaker. It is not the Speaker's prerogative to make sure that information is supplied.

Interjections.

Mr. Speaker: Order.

Mr. Smith: Could I have guidance from you, Mr. Speaker? If a compendium is simply whatever the government says it is, which is in essence what you are saying to us, and if that is parliamentary practice, then they can comply

with the standing orders in ways I am sure were never contemplated when the standing orders were themselves drafted.

Are you saying to us, in essence, the standing orders that guarantee us a compendium in fact guarantee us virtually nothing—they guarantee us whatever the government wishes to call a compendium—and that if we want to have real compendia, instead of any sort of garbage or propaganda or whatever, we are going to have to make some change in the standing orders to obtain that? Is that what you are saying, sir?

Mr. Speaker: Yes. I think it is not within the province of the Speaker to rule on what is a proper compendium and what is not. I think it is very clear it is a matter of opinion. Quite obviously you as an individual and your party as a group have a different understanding of what comprises a compendium, as opposed to what the minister may have or what the third party may have.

Mr. Cassidy: Mr. Speaker, on that point of order: I would urge very strongly that you look again at your role as Speaker in this matter, as to whether following the precedent from May would deal equally with the different parties in this Legislature. I would urge you to look whether you should not under certain circumstances be prepared to break new ground rather than just following a precedent in May that may go back a number of years.

It has always been my understanding of parliamentary practice that while precedent is looked to with a fair amount of reverence, it does not have to be slavishly followed. I would suggest that here is a case where, as in other aspects of a common law tradition, it is possible for you as presiding officer in this Legislature to determine that a new precedent should be struck. This would be a precedent that enforces the right to know of the members of the opposition parties in this Legislature and, through them, the people of the Ontario. I appeal to you, Mr. Speaker, to take those actions.

Mr. T. P. Reid: Mr. Speaker, the original section 26(c) was put in our standing orders as a result of a number of commissions, such as the Camp commission and the Morrow commission. The philosophy behind it was to improve the status of the individual member of the House and to provide him or her with the necessary information to be informed, on which the government could be questioned, whether it be members of the opposition or members of the back benches of the Conservative Party in

this case. That was the philosophy, that we would have the information so we could be as fully informed as possible without offending the rules of confidentiality in some cases, so this could be a more informed and competent place.

You are saying, Mr. Speaker, that you looked at May. I think you have to look at the rule of our own Legislature in section 26(c). While May might have something to say about it, the Legislature in its wisdom has passed this rule for this Legislature. I say respectfully that as Speaker it is your role and responsibility to uphold the rules found in the Legislature of Ontario standing orders.

Mr. Foulds: Mr. Speaker, I rise to remind you that the government has admitted it has documentation that it is not making available either to the public or to the opposition. It is my understanding that the very word “compendium” means an all-inclusive collection of background information. Although the standing rule says the government shall table a compendium, I suggest the government has admitted it is not complying with the rule of the House because it has, quite deliberately, in its answer to the question I put on the Order Paper, said there is documentation. This is a valuation report prepared by McLeod Young Weir and a critique of that valuation prepared by Price Waterhouse. And the government says it is not going to make those public.

I even understand some of the hesitancy the government may have about allowing information to slip out while it is conducting negotiations and how that might affect various financial arrangements in the province. Surely, however, having admitted the documentation exists, it is the obligation of the government to make available to the House as full a copy of that documentation, perhaps inking out—as it did in many Hydro reports of accidents—the specific information that might bring attention to a specific individual.

3:30 p.m.

I suggest the government has not lived up to the rule in our standing orders. There are ways the government can demonstrate good faith by giving us the information that is available in fuller form to give us an understanding—both we on this side of the House and the people of Ontario—of what led the government to make the decision. I do not think we want to jeopardize the negotiations, nor do we want to give an advantage to certain insiders, but we do

have a right to have the information the government says it had when it made the decision to buy 25 per cent.

Mr. Breithaupt: Mr. Speaker, I was interested in hearing the aside made by the Minister of Energy with respect to the fact that the standing orders do not say what a compendium is. If he would search the Shorter Oxford English dictionary he would find compendium is defined as follows: "An abridgement of a larger work or treatise, giving the sense and substance, within smaller compass; an epitome, a summary, a brief."

As we look back in the rules, at the time when he was House leader for his party and I was House leader for mine, basically the intention was there be some opportunity to have shorter statements in the House in order that more work could be accomplished and that additional information be provided, at the same time, through the use of this practice of filing a compendium. It is quite clear what the intention was—that information, supplementary and helpful, was going to be made available to all members of the House, as much to the benefit of government back-benchers as to members of the opposition.

I suggest in looking at the parliamentary rules, as far as Erskine May or the other background is concerned, we are not governed here by a precedent. We are clearly governed by a rule. We are covered by rule 26(c), as my colleague the member for Rainy River (Mr. T. P. Reid) has suggested, in a word that is quite equally known to all of us and quite easily defined.

The intention is to have as much information as possible. I think there is a requirement to provide that in accordance with the spirit of the rules.

Mr. Martel: Mr. Speaker.

Mr. Speaker: The member for Ottawa East (Mr. Roy). I am doing this for a purpose.

Mr. Martel: So he can get on the record? He is here today.

Mr. Speaker: No. He is going to speak anyway, but I did lose rotation when I recognized the member for Kitchener (Mr. Breithaupt). I am going to recognize the member for Ottawa East (Mr. Roy) and then the member for Sudbury East (Mr. Martel).

Mr. Roy: Mr. Speaker, I quite understand that in your ruling you cannot be looking at all the information that has been obtained by way of compendium in determining whether it adequately follows the rule.

But there reaches a point, Mr. Speaker, where you must ensure the rule is complied with. I think there is a role for the chair to play if, for instance, the government refuses completely to supply a compendium or if you feel whatever is supplied by the government does not comply with the rule to all intents and purposes. For instance, if they supplied as a compendium a book on Pinocchio and we were talking about the energy program surely that would not be complying with the rule.

The point I want to make is, if they do not comply at all or they comply in such a fashion they do not comply with the rule, I think there is a role for the chair. What you are saying is you cannot get involved and look over every compendium to see whether it is adequate or not, but I think there is a role for the chair to play.

Mr. Martel: Mr. Speaker, speaking as a member of the Morrow committee, when we reviewed this we wanted to be able to ascertain on what grounds a government made a decision with respect to a particular policy.

Hon. Mr. Welch: Was it not primarily for legislation and then it was expanded to policy statements?

Mr. Martel: No, it dealt with the whole field in the original Morrow report because—

Hon. Mr. Welch: And then it was expanded to policy.

Mr. Martel: It dealt with legislation but the purpose was to be able to put together or to understand what it was that prompted the government to take the action it took.

Hon. Mr. Welch: It was the rules committee.

Mr. T. P. Reid: Table the public opinion poll.

Mr. Speaker: Order.

Mr. Martel: If the Deputy Premier is telling me the material presented as a compendium several weeks ago, which was a couple of glossy documents and a ministerial statement, was what he—

Mr. Nixon: They didn't present anything at first—nothing at all.

Hon. Mr. Welch: We did. There is nothing in the rules that says—

Mr. Speaker: Order.

Mr. Martel: If the Deputy Premier is telling me the government based its decision on that couple of documents, I do not think he really expects anyone over here to believe that. I do not think anyone on that side of the House would have made any decision with respect to such a purchase with that limited information.

The information that is supposed to be made available to the members is the information on which the government made a decision, originally with respect to legislation and later expanded, so that everyone would understand what background information led to a particular decision.

What we are confronted with now is a refusal of the government to give any of the information. All of us recognize, I think, that certain confidentiality in a business transaction must remain confidential until the deal is consummated, but surely there is also a way of deleting that material.

We had such a way with Re-Mor. We certainly had it on the select committee when it was looking at the document from the Treasurer on the auto industry. We had him as a guest one afternoon, and he agreed to strike out certain material. The committee agreed to it, because he said it was confidential. We accepted his word, and he struck from some of the documents the material he considered confidential.

Surely the government should be prepared to do that now to get us out of this bind, to get us on to other business and, at the same time, to give the opposition parties an opportunity to look at the documentation that is germane and is not considered confidential. I fail to see why it continues to dig itself in in this impasse, when there are certain alternatives available to the government.

Hon. Miss Stephenson: It is not our impasse.

Mr. Martel: The Minister of Education would not understand. She has it in her head that she can just ramrod. It would be nice if she had served on a committee once in a while and understood how this place operates.

Hon. Miss Stephenson: No, I have not done that. But I understand what compendium means and I have read the rules.

Mr. Speaker: Order.

Mr. Sargent: Mr. Speaker, on the basis of my 20 years in this House, it is inconceivable to me that a top government authority could put a deal in place and, along with scores of other people, have inside information that members of House should not have access to. I think the mechanics of this deal should be made available to every member of this House. The deal is only a letter of intent at this point, it is not consummated, and I think at this time we should have everything out in the open.

Mr. Speaker: Thank you very much. I did not mean to be provocative or argumentative when

I brought this matter up, but I refer all the honourable members to standing order 26(c). It says, "After any policy statement the minister shall table a compendium of background information."

Having sought that guidance, I looked up the dictionary and found out, as the member for Kitchener (Mr. Breithaupt) did, the definition of "compendium," which I submit is somewhat vague; it refers to a summary and so on. Then I referred to the nineteenth edition of May on page 432, and I now have the paper in front of me. Under the heading of "Responsibility of Laying Documents," I will read what it says:

"It is the responsibility of the government, and not of the chair, to see that documents which may be relevant to debate are laid before the House and are available to members. It is not for the chair to decide what documents are relevant. Only when the Speaker himself has control of a document can he be involved in making it available to the House or a committee."

That is what I was guided by.

There are, I might say, other ways of getting the information.

Mr. Martel: Tell us how, Mr. Speaker, and we will do it.

Mr. Speaker: You can find out by putting a motion. There are several procedures.

3:40 p.m.

ENERGY AND AGRICULTURE

Mr. Speaker: Yesterday the member for Oshawa (Mr. Breauth) raised an interesting point and asked me to look into whether it was proper for a deputy minister of the crown to comment publicly on a report. I have checked into the matter: as a matter of fact, I heard a news report on the radio, and I do have some knowledge of what was said.

The person in question, Mr. Rowan, spoke to the report as co-chairman of the Ontario energy and agricultural policy committee, not as deputy minister. So he was co-chairman of the committee and made the comments as co-chairman.

Mr. Breauth: I wish to pursue it briefly, Mr. Speaker; I do not want to make a big deal of it. I am aware that in other jurisdictions it is considered to be a gross impropriety for a member who has participated in the preparation of a report, let alone co-authored it virtually and co-chaired the proceedings, to make com-

ments about that report prior to its being tabled in whatever parliament it might be. That is the point I want you to address, Mr. Speaker.

I realize that at one time he was the deputy minister and that he now is senior in another agency on behalf of the government. It strikes me that it would do this House some great service to have you look at that in more detail, because I do believe that practice would be a dangerous one.

Mr. Foulds: If I might make a point, Mr. Speaker, I would add that the important thing to remember is that Mr. Rowan is still a very senior public servant. He is president of the Ontario Energy Corporation and a former deputy minister. Whether that was a shuffle upwards or sideways or downwards remains to be seen, but he still is a very senior public servant.

Hon. Mr. Welch: One brief comment, Mr. Speaker: We have to understand that for reasons I do not know a document got in the hands of a journalist and was being commented upon. Other media became somewhat interested, and we all got calls about this document.

I think one of the co-chairman of the committee, the former deputy minister, felt some obligation with respect to truth. As far as I have read, he admitted that there was such a report, that he did co-chair such a committee and that it was a wide-ranging discussion that talked about everything from "large farm machinery to fertilizer."

By way of general acknowledgement, I fail to see what was violated. He refused to talk about any recommendations and acted quite properly in so doing until the report was tabled. That is the extent to which I have become familiar with any comments he made with respect to a report that he co-authored.

Mr. Speaker: If I may, I wish to point out further to the member for Oshawa and all honourable members that, as Speaker, I do not have any control over members of the civil service, only the legislative officers and the members.

Mr. Nixon: I guess the minister doesn't either, because several press members—

Hon. Mr. Welch: That is not true. Name one.

Mr. Speaker: Order. The member for St. Catharines.

Mr. Nixon: On a point of order, Mr. Speaker—

Mr. Speaker: I have recognized the member for St. Catharines.

ORAL QUESTIONS PROCEDURE

Mr. Bradley: Mr. Speaker, I am rising on a point of order, I believe. You can correct me and tell me it is a point of privilege, if you want.

Regarding the procedure you follow in the question period and the suggestion I sent to you in a note, one of the problems that private members have had, and many of us have expressed it for some time, is that in question period the number of questions put to ministers is rather limited because of the length of time taken by the leaders' questions and because of interjections and other matters that take place during the question period.

I recognize that, in an attempt to solve this problem and to be consistent on all questions, you have limited the number of supplementaries on private members' questions to two, and you have been consistent in doing this. However, some parties do not wish to ask a supplementary to the other party's question in the interest of speeding up the question period so we can get more questions on.

What you have done, and you are consistent in doing it, is you have given two supplementaries no matter which party has asked the question. My suggestion for your consideration in that particular case, if the other opposition party is not interested in asking a supplementary question, is that you ask for a new question.

Mr. Speaker: Thank you very much.

ENERGY AND AGRICULTURE

Mr. Nixon: Mr. Speaker, the Minister of Energy has challenged me to name another reporter besides somebody on the Toronto Sun who had a copy of the report. I will tell him that a reporter working for one of the radio networks, heavily subsidized by the public purse, asked me questions before the House that day and indicated he had a copy of the report, on the day the minister presented the report to the House later on.

For the minister to say only one member of the press somehow got hold of it is patently incorrect. This other person had a copy of the report. There seemed to be a general furore, and many members of the House were asked questions, because these people had copies of the report.

The minister delayed the report until after the estimates of the Ministry of Agriculture and Food were completed. It should have been available for the Ministry of Agriculture and

Food estimates; it was delayed and then leaked over the weekend. The Minister of Agriculture and Food and his colleagues are responsible.

Hon. Mr. Welch: Boy, in your old age you're sinking lower and lower.

Mr. Nixon: On a point of order, Mr. Speaker: I don't know what is wrong with the Deputy Premier—

Mr. Speaker: Order. The member for Brant-Oxford-Norfolk will please resume his seat.

Interjections.

Mr. Speaker: Order.

Mr. Stokes: Throw them both out.

REPORT

SELECT COMMITTEE ON PENSIONS

Mr. J. A. Taylor from the select committee on pensions presented the committee's report and moved its adoption.

Mr. J. A. Taylor: Mr. Speaker, I move the adjournment of the debate.

Mr. Martel: On a point of order, Mr. Speaker: One of my colleagues came to me as a result of this report. I ask your guidance because, as I understand this report, there was some problem with it. We had a debate some time ago, and the chairman of the particular select committee was involved. As I recall the incident, because it was not signed properly it was taken back and a small modification was supposed to be made.

Mr. Nixon: That was an NDP objection, as I recall.

Mr. Martel: Yes. What has happened, Mr. Speaker, and where your guidance or some ruling is going to have to be made, is that after the report had been reviewed and there had been some consensus and it had been tabled and then withdrawn, three of the Conservative members, as I understand it, decided at that stage of the game to write their dissent, after the report was completed.

Surely one could agree that if there were a small modification or some correction that had to be made to that particular document, that would have to be done. But if starting to write a minority report after the report was completed is tolerated, we are going to be into such a mess that whenever somebody feels a little heat in the kitchen, and the report is not on the desk or has not been tabled, we are going to call it back and start to rewrite it.

Mr. Nixon: The best two out of three.

Mr. Martel: My friend the member for Brant-Oxford-Norfolk is right; it sounds like the best two out of three. But when one uses the numbers game simply to do that sort of thing, I do not think we can ever expect to get a report through. We are never going to get any type of consensus on a document, because if someone gets caught with his finger in the cookie jar, as my friends did, and somebody chastises him, he is going to run back and say, "I want to rewrite the document." We are never going to get a report completed in any satisfactory fashion if that is allowed to continue.

3:50 p.m.

I ask the Speaker either to rule on the point I am raising or to submit it to the standing committee on procedural affairs, where they will not play the numbers game but will look at the parliamentary tradition and the rules as they really are. But to do this sort of thing is irresponsible. If it was too hot in the kitchen, that is the fault of my buddies opposite. They should have lived by what they agreed to do in the beginning; they cannot use the numbers game to change a report after it has been completed.

Mr. Jones: Mr. Speaker, I think it is very important that we clarify a couple of the comments made by the member for Sudbury East. The insinuation has been clear that somehow or other there was all of a sudden, as he calls it, heat in the kitchen; that somehow or other it just popped up—

Mr. Martel: About three weeks after.

Mr. Jones: Three weeks after, to choose the member's time frame.

Interjections.

Mr. Speaker: Order.

Mr. Jones: But I can share with you, Mr. Speaker, and for the benefit of the members who were not part of that process in committee, that early in the initial drafting of the wording to be used in relation to section 21 of the Haley report, not only Conservative members but also members from one of the other parties expressed a very serious concern that there would be a gross misinterpretation of what the committee was saying as they put forward what they felt to be a very critical recommendation as a comment on this report.

I think it is important for members to be aware that we did not have an opportunity to see the final wording, which was changed more than in the preparation of the final draft, and we were

deprived of the opportunity to see it as it was tabled. There were discussions with other members from other parties, as a matter of fact, who were anxious to sign that dissent.

I just want to reassure the House that there was no chastisement by any member of the government, as my friend suggested; rather, the members were bringing forward some very real concerns they had had in the course of the discussions that went into the drafting of that report on the section that we objected to.

Mr. Williams: Mr. Speaker, I would like to bring to your attention a very significant inconsistency that has arisen from the statement by the member for Sudbury East. I want to remind you that what was central to this whole issue, the very reason it was raised in this House in the first instance by the member for Bellwoods (Mr. McClellan), was the fact that none of the members of the committee had had an opportunity to peruse the report in its final draft.

The member for Bellwoods raised the furore in the House because he had not had the opportunity to sign that report; the other members on all sides of the House and from all parties agreed that they should have had an opportunity to sign that report and thus indicate that they had read the final draft and were in agreement with its final wording.

Now the member for Sudbury East has the audacity to get up in this House and suggest that the members who had submitted a dissenting opinion were submitting it after the final report had been completed and agreed to by all the members. That is a total inconsistency, because that was the very reason the report was withdrawn in the first instance: it was not deemed to have been complete and had not been fully accepted by all members of the committee. I want that to stand clearly on the record, Mr. Speaker.

Mr. Mackenzie: Mr. Speaker, I find it extremely difficult to follow the reasoning of the last speaker. I think it should be clearly on record that a consensus was reached in the committee and, yes, there was an argument over it.

The one point that caused the problem on this was a motion moved by one of the Tory members and supported by my colleagues and some of the Liberal members in that committee. When we came back for a second look at it, and this was before it was filed the first time in this House, we found that the wording was slightly different from the motion that had passed and it was challenged by my colleague the member for Bellwoods (Mr. McClellan). The Tory member

for Brantford (Mr. Gillies), supported by at least two of his colleagues, said, "Yes, the way the member for Bellwoods has put it is the correct way, and that is what we voted on the first time." We voted again, it carried and there was no more discussion at that point. We then finished in half an hour, winding up the report in the committee.

Mr. Martel: That's when they should have made their dissent.

Mr. Mackenzie: This question of dissent was not raised until we came back the last time around, and that was only about the wording we had finally agreed on and voted on twice in that committee.

Does the fact that two of them disagreed—and one was not there during the vote and came in—give them a chance to go back to it again, after it has been passed, for another kick at the cat? Where are we going in terms of the committees of this House? I think this is a serious point that should be raised.

Mr. J. A. Taylor: Mr. Speaker, we have heard much about cookie jars and kitchen temperatures but—

Mr. Foulds: The member is going to take over from the Leader of the Opposition (Mr. Smith) as the Cookie Monster.

Mr. Bradley: You're in third place now.

Mr. Foulds: I withdraw that.

Mr. J. A. Taylor: Thank you very much; I appreciate the member's attention.

Mr. Speaker, as you will vividly recollect, I tabled this report previously. I want to point out that it was not before the House improperly. It was signed by me as chairman after a full review of its contents by the committee. I understand that in the past year, out of 15 similar reports, about 11 have been signed only by the chairman and four have been signed by all the committee members.

Because of the question raised by the member for Bellwoods in regard to affording an opportunity to all members of the committee to sign the report, I asked that the report be withdrawn so a further meeting of the committee could be held and a proper resolution passed with regard to this report and future reports, saying that they should be signed by all members of the committee. That resolution was passed by the committee, and all members of the committee signed the report.

If there is a dissenting opinion expressed by any member of a committee, the concurrence of that committee is necessary to include that

dissenting opinion in the report tabled in this House. A resolution was passed by the committee to enable dissenting views and opinions to be expressed and to be tabled with the report. Seizing on that opportunity, a dissenting view has been tabled with the report this afternoon.

Mr. Martel: After the fact, though. You should have written it in the first place.

Mr. Mackenzie: Don't be dishonest. It was after the fact, and you know it.

Mr. Speaker: Order.

Mr. J. A. Taylor: I see nothing improper or irregular and, as you know, Mr. Speaker, I have moved the adjournment of the debate.

Mr. McClellan: Mr. Speaker, I want to make it absolutely clear that I have no criticism of the chairman of the committee. I think all members of the committee will agree he has operated that committee with an exceptional degree of fairness. Nor do I have any criticism of the clerk of the committee, who was simply following the directions laid down in the procedural manual. I want to make that abundantly clear as well.

The thing we find distasteful is the fact that a number of Conservative members of the committee chose to file a dissent from the majority report after the fact, which has been pointed out by a number of speakers. That is to say, they did that after the report was written, adopted and agreed on as a consensus report. That is what we find distasteful.

4 p.m.

Mr. Speaker: Thank you very much. I think the opinions that have been expressed might better be expressed during the debate on the report.

I draw the members' attention to standing order 89(d). The last sentence of section 89(d) says: "A committee may, in its discretion, include any dissenting opinions in its report." I am not privy to what went on. I have not seen the report. I can only assume that there is no impropriety. I can only assume that the committee did, in fact, give its permission and discuss fully any dissension or dissenting report that was made.

Mr. Martel: Let me just ask you this, Mr. Speaker: I understand the rule perfectly well as you have just outlined it; we are not disagreeing with that rule. What we are disagreeing with and what we find offensive is that, after it was been brought into the Legislature, it then went back to the committee to be endorsed, and they then decided to write their dissent. If they are going

to write a dissent that is going to be appended, surely they should do it when the drafting of the report is going on and not after the report has been completed.

Mr. Speaker: If I can just go back to what I said earlier, which is that I have to assume—I do not have any information otherwise—that the committee has consented to the inclusion of a dissenting report or dissenting opinion.

Mr. Nixon: It was signed by everybody.

Mr. Speaker: That is right. The only thing I can say is that the comments which are raised, the points which are raised might better be raised during the debate.

On motion by Mr. J. A. Taylor, the debate was adjourned.

INTRODUCTION OF BILLS

MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS AMENDMENT ACT

Hon. Mr. Walker moved, seconded by Hon. Mr. Gregory, first reading of Bill 162, An Act to amend the Ministry of Consumer and Commercial Relations Act.

Motion agreed to.

Hon. Mr. Walker: Mr. Speaker, the purpose of the bill is to provide specific authority for the minister and deputy minister to delegate powers and duties vested in them under any act to designated officers of the ministry. The delegation may be subject to specified terms and conditions.

PERSONAL PROPERTY SECURITY AMENDMENT ACT

Hon. Mr. Walker moved, seconded by Hon. Mr. Gregory, first reading of Bill 163, An Act to amend the Personal Property Security Act.

Motion agreed to.

Hon. Mr. Walker: Mr. Speaker, the purpose of the Personal Property Security Act is to correct some decisions that have been made by the Supreme Court of Ontario—not to correct the decisions, but to correct the situation relating to registration of real property, the registration of mortgages, assignments of mortgages and leases, and to allow a situation to permit the registration of the deeds without the necessity of registration under the Personal Property Security Act. There were two decisions that altered that time-honoured situation, which has been with us for many years.

In addition to that, it will correct a problem

involving the postal strike. There was a mandatory 30-day period of registration that was frustrated by reason of a postal strike lasting longer than 30 days. This will again set the clock back and resolve problems there.

ANSWER TO QUESTION ON NOTICE PAPER

Hon. Mr. Gregory: Mr. Speaker, I wish to table the answer to question 141 standing on the Notice Paper. (See Hansard for Friday, November 6.)

ORDERS OF THE DAY

INTERIM SUPPLY (continued)

Resuming the adjourned debate on the amendment to the amendment to the motion that the Treasurer of Ontario be authorized to pay the salaries of the civil servants and other necessary payments pending the voting of supply for the period commencing November 1, 1981, and ending March 31, 1982, such payments to be charged to the proper appropriation following the voting of supply.

Mr. Boudria: Mr. Speaker, just to refresh everybody's memory, last night I was talking about the fact the government had no money to build such a thing as a French school near my constituency in the riding of Carleton East. I was talking in the context—

Mr. Speaker: I think I have allowed a very wide-ranging debate in the discussion of this motion, and I would ask the co-operation of all honourable members in addressing themselves to the motion itself.

Mr. Boudria: Mr. Speaker, I was just about to say that I was talking about this to illustrate the fact the government was not spending its money wisely, as I thought the government should.

The honourable members will remember I read a letter I sent to the Premier (Mr. Davis). I suggested in that letter that the Premier sell his jet and build us a school, that it would be a much better investment. I am sure that you, Mr. Speaker, would agree with that.

I am a little disappointed today because there are public servants calling here and there, tying up all the lines to the Ontario Liberal Party. Here at Queen's Park some of us have been getting phone calls. We cannot help but think that perhaps there are those members sitting on the other side who may have suggested to the public, especially to the public servants of this

province, to call their favourite local Liberal MPPs to express their displeasure with the fact pay cheques may be late this Thursday.

But as our very distinguished leader said today in his press conference, and I would like to read one short paragraph, "It is very important that people understand that we in opposition are fighting tooth and nail for the sacred rights of Parliament, and even more so for the rights of every taxpayer and every resident of the province of Ontario, including the very ones whose cheques may be delayed by the government."

I hope all public servants are understanding of this and I am sure they all are. They have perhaps been provoked a little by some prominent Tories. I would hate to accuse anyone blatantly, but we have been suspicious that perhaps government members may have incited some people to phone Liberal members to express their displeasure with this.

I will read another paragraph. "The rights that we are fighting for are the following: The right to know how and why billions of tax dollars are being spent and the right of the opposition to demand a reasonable explanation from the government, even when it has a majority."

The government is assuming that because it has a majority it can do absolutely everything it wants at any time and not have to justify it to anybody. This was made especially evident during the first few weeks of the spring session when the government used to remind us at every second or third question, sometimes every question, of the "realities of March 19," trying to tell us the realities of March 19 were that we had nothing to say in this House.

4:10 p.m.

It just so happens on a motion for supply like this that we do have something to say. These are some of the most basic rights of parliament. The procedure through which members of the House ask the government for redress before granting supply of funds dates back hundreds of years in various parliaments. That is, of course, exactly what we are doing.

We are not doing this just for the form of it or the fun of it or any other reason. We are doing this for a very specific reason. We do honestly think this government has not acted in the best interests of the constituents of Ontario. I am sure that you, Mr. Speaker, in your very objective and unpartisan view would agree with this.

I notice there are not very many Conservative members in this House right now listening to this very important debate.

Mr. Kerrio: There are not many Conservatives over there any more, period.

Mr. Boudria: Perhaps my good friend, the member for Niagara Falls, is questioning whether there are red Tories as opposed to other colours of Tories in this Legislature.

But even more fundamental than that, these same people who perhaps were telling constituents to phone their Liberal member to tell him how displeased they were about not getting their pay cheque this Thursday are not even here in this House to participate in this important debate. Let the record show that the Tory members are not interested in this. At this time there are only five of them in this House. Out of 70 Tory members, there are five MPPs sitting in their seats right now.

Hon. F. S. Miller: Seven to be exact.

Mr. Boudria: That is shameful. There are nearly twice as many opposition members in this House at the present time as there are government members. Proportionately, we have three times the kind of representation they have.

Hon. F. S. Miller: It takes three of you to equal one of us.

The Acting Speaker (Mr. Cousens): Order.

Mr. Boudria: I find this appalling. A little while ago, I was reading in the Toronto Star a letter to the editor. I want to read it to show members what the people think of the quality of financial management the honourable Treasurer (Mr. F. S. Miller) is giving to this province. It reads like this: "Plane a New Toy for the Premier. When Prime Minister Trudeau promised \$40 million in aid to an underdeveloped country, the letters to the editor told him in no uncertain terms that 'charity begins at home' and objected to this waste of the taxpayers' hard-earned money.

"To date, I have not seen a letter concerning the Davis government's purchase of a \$10 million aircraft." He has not been getting my mail because I have been getting lots of those letters. "Apparently the Ontario taxpayers have no objection to the purchase of a new toy for the Premier and his cohorts, but consider money spent to feed hungry children in a foreign land to be a misuse of tax dollars."

This just goes to illustrate that when there are so many important things we can do with the hard-earned dollars of our constituents, so

many worthwhile projects we could be embarking on, this government chooses to buy a new jet and to invest in an oil company which is not located in this province, which will not add new jobs, et cetera, et cetera.

I would like to read another letter that was written in the same newspaper about the jet. Obviously the person who wrote the first letter had not read the second one, because he was saying it was the first one of its kind.

This letter goes like this: "I cannot for the life of me understand the criticism being levelled at the Davis government over its recent acquisitions. It should be patently obvious that they are doing their best to decrease the level of unemployment in our beloved province." Now the Tory members would agree with that, would they not? "For example, Davis' flying machine will require at least two persons on the flight deck—or three, if you include a navigator, which, based on past performance, they will sorely require—and a couple of flight attendants to ensure the comfort of the passengers, not to mention a crew of mechanics and maintenance personnel."

Mr. Mancini: Don't forget the bar.

Mr. Boudria: My learned colleague from Essex South tells me not to forget the bar. I guess we are assuming that perhaps the cabinet will have a bar aboard this—

Mr. Mancini: No beer in the ball park.

Mr. Boudria: No beer in the ball park, but a bar on the jet. I will keep on reading:

"Employment will also be provided to catering service people and other ancillary services." The member for Essex South will be glad to know our reader is insinuating just that.

"Regarding Suncor, is it not logical to assume that our astute legislators, in their finite wisdom, are merely assuring the availability of a continuous flow of petroleum product necessary to keep the taxpayer's \$10 million-plus albatross airborne?"

"We should be applauding their business acumen rather than being so contemptuously critical of their political perfidy." This is signed by a Mr. Norman Roberts of Mississauga.

We hear just how ridiculous some of those plans are. When people take the time to sit down and write letters to the editor to ridicule the policies of this government in that fashion, surely that must tell us that something is wrong; that this province is just not being run the way it should be.

We have quite a few financial difficulties in

our constituency and when the people of my riding listen to the news and they hear that the Premier is buying a new jet and our Minister of Energy (Mr. Welch) thinks it is a good idea to buy Suncor and to give up on Ontario, they are very disappointed. They just cannot understand why everybody would give up like that.

I will give you an example: In my riding, in the east end of my riding especially, we have several factories that we have seen closed down lately. We have heard in this Legislature about the Amoco layoffs in the city of Hawkesbury. Nothing is being done there to invest in that industry.

Has the government of this province given up on the people of this province? Have they chosen to invest in Alberta because it is "where the action is?" Why is it the action is in Alberta? Why is it not here in Ontario? I remember the action was in Ontario a few years ago. I know some of the members would say, "But Ontario does not have oil. It does not have fuel." That is the reason that was given to us not long ago in this Legislature by some members.

But I suggest that if we do not start investing in alternative energy, we will never have fuel in this province to propel our automobiles and heat our homes. It is not by buying a company that has refineries and oil wells in Alberta that we are going to increase the fuel production in the province. Of course that is not the way. We know the only way to assure ourselves of a good supply of fuel is to invest in this province in alternative fuels.

I have questioned as well why this report that was mentioned a while ago—a report I see the honourable member in front of me has on his desk about fuel and agriculture, energy and agriculture—and the other report on peat that we have heard of recently, were only released over the weekend. Could it be it is because the government figured that by then they would have their interim supply, therefore they purposely delayed the production of those documents, not only to avoid the estimates of the Ministry of Agriculture and Food but out of fear they would not get their interim supply. I think this is another very interesting aspect we should look at.

I could say what the government of this province should be investing in rather than a 25 per cent share in an American oil company, but before I do that let us talk a little bit about Ontario having shares in a foreign-owned oil company. Perhaps members could picture this: they are driving down the street and they see a

Petro-Canada gas station—they are not Petrofina any more; they are just changing the signs to Petro-Canada—and right beside it we have one of these Suncor gas stations which are 25 per cent owned by the province. What Ontario is telling us, as my learned colleague from Niagara Falls was telling me earlier this morning, is to come and buy at a foreign-owned gas station—75 per cent foreign-owned, 75 per cent owned by somebody other than Canadians. Ontario is saying go and buy at that foreign-owned gas station that Ontario owns a share in instead of buying at Petro-Canada, which is 100 per cent ours.

We do not need a Suncor. We already own all of Petro-Canada as Canadians. Therefore, the government of this province is encouraging us to buy oil from a foreign competitor of our own Petro-Canada.

4:20 p.m.

Can you see, Mr. Speaker, just how ridiculous this investment is? If the government of this province was telling us to buy fuel from a company that produces fuel in Ontario as opposed to fuel coming from other jurisdictions, even other provinces, I would say that is good, because we are encouraging jobs in our own region. That is a very commendable thing to do. But when the government of this province is telling us to buy gasoline from "our" gas station, "our" means the gas station Ontario owns 25 per cent of, instead of buying from Fina, now Petro-Canada, which is 100 per cent ours. I totally fail to see what this policy is going to do to increase self-sufficiency in petroleum for Ontario, or even, for that matter, for Canada.

My colleagues to the left here—there are not too many of them in the House right now. I only see one member of the New Democratic Party, the very learned member for Downsview (Mr. Di Santo) sitting over there. Maybe one is enough. I would certainly agree wholeheartedly that we do not want too many NDPers, but we certainly want this member here, who is very learned. But yesterday, I guess it was, the member for Oshawa (Mr. Breaugh) was criticizing the Ontario Liberal Party, telling us that our federal counterparts are encouraging Canadian ownership and we, as a provincial Liberal Party, are discouraging it. That is totally erroneous. That is absolutely not the policy of the Ontario Liberal Party.

What the member for Niagara Falls says is quite true. But what disturbs me is that the NDP is telling us we are contradicting the federal

Liberal Party on its national energy policy. We are not in contradiction. We agree wholeheartedly that the government of Canada has to ensure oil sufficiency for this country. Of course we agree with that. That is the commendable thing to do. I suggest that 80 per cent of the people in this country think that is the proper thing to do—perhaps even more. That is not what we are saying.

A lot of Tories would say that is the right thing. Even Joe Clark had to back down from selling Petro-Canada. We know there are Tories who like the idea of having a national, Canadian-owned, people-owned oil company. And we wholeheartedly agree with that. But there is a big difference between that and the policy of this provincial government. What on earth is buying 25 per cent of the shares of Suncor going to do? Is it going to give us a controlling interest in that company? No. Is it going to produce more oil? No. Is it going to produce more jobs? No. Is it going to drain capital out of Canada to the US? Yes.

If that company is paying dividends, 75 per cent of the dividends will leave this country and go back to the United States. Let us remember that Suncor had been reinvesting practically all its money in this country. Now we will be losing 75 per cent of those potential reinvestment dollars. For the New Democratic Party to accuse us of contradicting our federal friends is totally false. I know the member for Downsview would not stoop that low because he is a very learned member. But some of the other members said that yesterday, and I am sure when he stands up to speak in a little while he will totally contradict what the other New Democratic Party member said and, of course, he will agree that the Liberals have said the right thing. They very often contradict each other.

Sometimes some of them contradict their previous statements. For example, yesterday we heard the leader of that party, I think, speak extensively against the purchase of Suncor and then say we should buy 51 per cent of it. That is very disturbing, as I said yesterday. The government is investing \$650 million in a clear demonstration that they have given up on the people of this province. The NDP wants us to invest \$1.3 billion; they have only half as much confidence in the Ontario economy as the Conservative members have, so they are giving up twice as badly as the government.

Mr. Elston: Send them to Saskatchewan.

Mr. Boudria: My learned colleague from Huron-Bruce says, "Send them to Saskatche-

wan"; but no, they are welcome here. And once we are in power I am sure we will revive the economy of this province and ensure that everybody has jobs, including defeated former members of the New Democratic Party.

Mr. Lane: There will be a lot of yours.

Mr. Boudria: I hear some sounds coming from the other side.

Let me give some examples of where we could invest money in this province. I have in front of me a letter written by the Ontario Veterinary Association. This is a very worthy and important group in this province. They have been telling us they are very concerned about how this government is spending money, and even more concerned about where it is not investing it. Let us hear what they have to say in a letter they wrote to me:

"The Ontario Veterinary Association, on behalf of this province's more than 1,800 veterinarians, invites your concern and support to the Ontario Veterinary College, University of Guelph, in its current funding crisis."

The Acting Speaker: Could I ask the member to speak to the amendment that is on the floor?

Mr. Boudria: Oh yes, Mr. Speaker, I am definitely speaking to the amendment. We as an opposition party are trying to demonstrate the government should not be investing in ventures like Suncor; the government should use this interim supply, when and if we grant it to them, to invest in things such as I am reading about now. So that links this directly as you are telling us to do.

"The situation is most serious when implications threatening Ontario's agricultural economy as well as the accreditation of the college"—can anyone see us losing the accreditation of the Ontario Veterinary College? I hope we certainly never see that here, but the Ontario Veterinary Association is deeply concerned about that. There are members on the other side who represent agricultural ridings—not that many members on the other side right now; there are only five of them.

I see the member for Sarnia (Mr. Brandt) has not read his mail. Perhaps while he is reading his mail he can listen with his other ear to the very important discussion that is going on right now. I am sure he is very concerned about the Ontario Veterinary Association's quest to get proper funding so that the Ontario Veterinary College will not be closed. That would be a disgrace.

The honourable member for Brant-Oxford-

Norfolk (Mr. Nixon), who represents an agricultural constituency, is very concerned about this, he has told me so. And many other members are concerned as well. I was discussing this very important issue with our agricultural critic, the member for Kent-Elgin (Mr. McGuigan), and how we should make sure the government, with the interim supply money it is going to get, addresses this very fundamental issue.

So you can see, Mr. Speaker, how this links perfectly with the interim supply motion and the amendments thereto. The agricultural community is in dire straits. We have heard that term "dire straits"; some people have even called their town "dire straits" in an attempt to get funds from the federal government.

4:30 p.m.

I notice the provincial government has not used a catchy line such as "dire straits" here. Everybody would have called their agricultural communities whatever name would get them funds, because the government of this province is seriously underfunding the agricultural area.

Let me demonstrate what is going on. Last year we had the Ontario farm interest assistance program, 1980. This was a program under which farmers were rebated part of the interest they paid on their short-term demand loans for operating their farms. They were rebated interest to the difference between 12 and 15 per cent, assuming they paid a rate of more than 15 per cent. For part of the year that was the situation.

I believe something like \$6 million or \$7 million was put aside for this program and only \$1.5 million was used. Why? Because the program was poorly organized. It was organized in such a way the farmers could not even qualify to get their money.

In talking to those constituents as late as yesterday, they heard I was going to speak today on this important subject of granting this government more money. They want to know whether they will get some of that money for this kind of thing. One cannot blame them.

To a certain extent, the farmers of my area have borrowed from the private sector rather than banking institutions. The government organized this program in such a way that anyone who had borrowed from private sources was ineligible. It is a disgrace that those highly-paid public servants who are very worried, and rightfully so, about their pay cheques this Thursday, did not see when they were organizing this legislation that all farmers would qualify for it.

Let us talk a little about the fact the government is not investing money, as it should, in tile

drainage. The members may remember the Minister of Agriculture and Food (Mr. Henderson) sent a letter to the clerks and treasurers of all municipalities in Ontario asking them to borrow only up to 50 per cent of the amount of the cost of tile drainage projects.

That worries me because, as one can appreciate, some farmers borrowed money from the private markets, went ahead with the job thinking, in calculating their budgets, they were going to get 75 per cent of those funds at eight per cent. Once the municipality, through the encouragement of the minister, has decided to fund these projects only to the tune of 50 per cent, that raises the interest they are paying on the total project by 50 per cent.

How can our agricultural community in this province survive with those kinds of actions? How can the people in the agricultural area of this province make ends meet? That is the place where this government should be investing its money. How many jobs in Ontario are in the agricultural sector as opposed to the number of new jobs in Ontario that will be created through the acquisition of Suncor?

I challenge the members across to rise right now to tell me the number of new jobs created by this venture of the government, the acquisition of Suncor. There is dead silence in here. The members are not counting the number of new jobs because there are no new jobs with the acquisition of Suncor.

As a matter of fact, the drain of dollars from this province will probably mean we will lose jobs. I was speaking yesterday about that full-page advertisement in the *Toronto Sun* inviting people, "Come and work for Suncor"—in whatever city it was—"in Alberta." The government of Ontario owns 25 per cent of a company that is telling people to move away from here and work some place else.

Mr. Speaker, you will understand that this is a questionable investment. That is why our party is looking for the compendium of information so we can fulfil our role as the opposition. It is a very important role. I know some of the government members look across the House and say, "No, this is just the opposition; it is not important." But the whole principle of a parliament is that it is not a dictatorship.

Mr. Epp: Want to bet?

Mr. Boudria: It is not supposed to be a dictatorship.

I represent as many constituents as the members on the opposite side. My constituents have sent me to this Legislature to make sure the

government of Ontario is properly administered. They did not send me here to sit back as an opposition member and say, "I am not in charge; I am just an opposition member." Perhaps some of the Tory back-benchers think that way. Perhaps they think, "I am just a back-bencher; therefore, I cannot rise to speak on this issue." Perhaps it is just a coincidence that none of them are saying anything.

I notice my learned neighbour the member for Stormont, Dundas and Glengarry (Mr. Villeneuve) is just walking in. I am glad to see he is here, because all the farmers in his constituency are very concerned about the way this government is underfunding the agricultural community and spending hard-earned tax dollars to buy an oil company.

A few weeks ago, members of the Liberal caucus went to my constituency and we met with the pork producers of that area. They are very concerned about high interest rates, the lack of assistance to the farming community in general and the fact that this government is not putting money where it should be. This was before the Suncor deal. Imagine how they feel now. They must feel abandoned, and I do not blame them at all.

Was it the Minister of Energy who said that Alberta is where the action is? One of the cabinet ministers made that remark in this House. As a taxpayer in this province, I am insulted to hear that kind of remark from a cabinet minister. He is saying to us that Ontario the beautiful, Ontario yours to discover, is no longer where the action is. That is an admission of defeat. It is shameful behaviour on the government's part.

Some of us spoke at length a few months ago on the matter of the ad valorem gas tax. In the speech I made on that particular occasion, I questioned whether the government was attempting to raise funds through the ad valorem gas tax to purchase an oil company that was not located in this province. Sure enough, my worst fears have come true. This government has let us down in exactly the way I figured it would. This is most unfortunate.

I would like to read some of the documents from the ad valorem tax grant. I am reading from a statement prepared by my distinguished colleague the member for London Centre (Mr. Peterson). He said, "Premier Davis's welcome of the energy agreement and his apparent glee at the windfall which his government will receive from its ad valorem tax demonstrates his complete hypocrisy on the issue."

This is the same Premier who told us only a few days before that we have to make sure gas does not go up too high. But every time the price of gas goes up through some mechanism other than his own, he will reap the windfall profit. He will use that profit to buy an oil company that is not even located here, instead of investing in Ontario.

4:40 p.m.

I will keep on reading: "Just two years ago, on September 15, 1979, the Premier described the energy agreement then expected between the Clark government and Alberta as a clear raid upon the spending powers of the average citizen of this province." Is taking \$650 million from the people of Ontario and sending it to the United States to buy a foreign-owned oil company not a raid on the taxpayers of this province? Is that not taking away our hard-earned dollars and spending them elsewhere? If it does not, what constitutes such a raid as the Premier talked about in 1979?

I continue: "His own government is now embarked upon one of the biggest raids ever on the spending powers of the average citizen of Ontario." This is the ad valorem gas tax raid. On October 18, 1979, the Premier said, "Any move by the Clark government to raise gas prices by 23 cents a gallon would be a wilful attack on the individual consumers and the economy of Ontario."

Let us put all this in perspective. We have a government that is telling us that increasing gas prices is a raid on the consumer. That sounds reasonable so far. But this same government has an ad valorem gas tax, which means that when the gas tax goes up through some other mechanism, it reaps the benefits. These are the same people who are telling us gas should not go up, but we do not believe them.

Now, even further, the government owns one of the oil companies that is supposed to be ripping us off, according to its own words. To make it even worse, that oil company is an American-owned oil company, of which we will only own 25 per cent. That makes us wonder just what kind of rationale this government has for embarking on that kind of acquisition.

I will read the rest of the statement: "Given the magnitude of the price increase Ontario consumers will face as a result of the energy agreement, it is the worst form of political cynicism for the Davis government to compound those increases." That was quite true at the time, that it was the worst—I should not say that; I should say it was the second worst form of

cynicism. The worst is the one we are witnessing today. As bad as that was then, we never realized that this government was even more cynical than we thought it was.

Mr. Elston: How could it be worse?

Mr. Boudria: Yes, one wonders just how it could be worse.

We remember that famous night of May 19, when the Treasurer, the same Treasurer who is talking to us about interim supply, because this all ties in, talked to us about his budget. We remember that one of the highlights, or perhaps I should describe it as one of the low points, of the budget was the ad valorem tax grant. Let us talk about the ad valorem tax grant.

The Acting Speaker: The speaker will draw this into the amendment, I am sure.

Mr. Boudria: Mr. Speaker, I thought I had just done that a minute before. Perhaps I can refresh your memory on just how this links in. The government in its budget enunciated to us its fiscal policy for the coming year, and now the interim supply is drawing money to satisfy the policies enunciated in that budget. As you can see, this is directly related to what we are talking about, Mr. Speaker.

Let me read a few lines further: "Because of the change to an ad valorem system of taxation of gasoline, the government has launched on a program of profiteering by and contributing to inflation rather than protecting people from its ravages."

We just outlined a minute ago that this government had acknowledged that this is no longer where the action was. This government decided to profiteer by inflation, to take the money from that profiteering and all other moneys that should be invested in sound, worthwhile investments in Ontario and, acknowledging they had given up on this place because it no longer was where the action was, invested those funds in this American-based oil company which owns oil wells in Alberta. That is seen by this government as the best fiscal policy for Ontario.

If that is the best this government can do, imagine the worst it could do. If we had a classroom of grade four students running this province, I am sure they would say this was ridiculous. Even they would recognize there are better ways to run this province than by creating jobs elsewhere and giving up on our economy. This is not what the people of Ontario want.

Just imagine: the people of my area, the people of Orleans, of Ottawa and all those areas,

are hearing that the government is spending \$650 million on an oil company. They are also listening to the news about the government buying a jet.

I was talking a minute ago about students. There is no money to help out Carleton University. There is no money to build a French school in Orleans. The Minister of Education (Miss Stephenson) has even suggested that we could take everybody and put them all in the same school, the French school and the English school perhaps being together. There could be some from the Carleton Board of Education and some from the Carleton Roman Catholic Separate School Board and all kinds of things like that to satisfy the critical shortage we have of classroom space for the education of our children.

This is seen as being a reasonable thing to do to the future generation of this country. That is the proper thing to do, according to them. It would be unreasonable to do otherwise, because it would "not be spending the money in the wisest way." I think those were the words used by the Minister of Education. Was the Minister of Education party to the discussions that resulted in buying Suncor? If she was, I am sure she would be one of the members who would be against this purchase.

One could look at all the cabinet ministers if they were here. None of them is here at the present time, but if there were any cabinet ministers here, one could look at each one individually and say, "No, I do not think this cabinet minister was for the acquisition of Suncor." One could go down the front row and the second row with every single one of them, and one would have a hard time finding one person who one would figure, as a reasonable person, would want the acquisition of Suncor.

Yet, collectively, the cabinet is for it. How can we understand that individually none are for it but collectively they are all for it? If I were to go around and talk privately to some of the back-benchers I see—I see the member for Sarnia, the member for Nipissing (Mr. Harris), the member for Prince Edward-Lennox (Mr. J. A. Taylor), who is a former Minister of Energy, and a few others—and ask them individually if they were in favour of Suncor, I am sure I would hear a negative reply from practically every one of them. Yet, again, collectively they are all for it.

When I raised that point a while ago, asking one of them to stand up and say how many new

jobs were created, this place became deadly silent. They are for it, but only very quietly for it.

Mr. Kerrio: Socialists is what you all are.

Mr. Breaugh: You are going to have to turn in your Petro-Canada card, Vince.

Interjections.

The Acting Speaker: The member for Prescott-Russell has the floor. Please continue on the amendment.

Mr. Boudria: I am right on the amendment, Mr. Speaker. I was just about to get some more of my documentation to explain to you why we, as an opposition, are concerned with the quality of the fiscal management this province has and why we think this province should not be granted interim supply until there is redress.

4:50 p.m.

I have a little document here entitled Waste in Government Spending. I am not referring to the salaries of the Tory members of this House, you can rest assured; there is more than that to it. Let us talk a little bit about things like Minaki Lodge, like land assemblies which this government went into in Edwardsburgh and in South Cayuga, which they have since changed their minds about.

Even right near my constituency, in the riding of Carleton East, is what they call the Carlsbad Springs land assembly; it cost \$13.8 million just for that one. That is not far from the constituency of the member for Stormont, Dundas and Glengarry; it is only a few miles from his riding.

I am very concerned that this government is just not handling the taxpayers' dollars properly. We have noted and expressed our dissatisfaction with all those things in the past: the Edwardsburghs, the areas in Milton and South Cayuga, Minaki Lodge and all those other things. But to hear the government now on this jet venture and this Suncor venture—this is the straw that broke the camel's back. We just cannot hold back any longer. We need redress before we grant this government interim supply.

We could talk ad infinitum about all the advertising this government has done, all the wasteful spending of taxpayers' dollars telling us to "Preserve it, conserve it." What are some of the government's other jingles? I am sure the members opposite will remember them; they are probably part of the kit they send to the Tory candidate in each riding. I am sure you would not know, Mr. Speaker, as nonpartisan as you are, but you may have heard others say it.

Mr. Elston: He has thrown them away.

Mr. Boudria: My learned colleague the member for Huron-Bruce says you would have thrown such documents away had you received them, Mr. Speaker.

The Acting Speaker: On the amendment.

Mr. Boudria: Yes, Mr. Speaker, I was speaking exactly to the amendment.

Let us talk a little bit about how the government of this province should be funding the health sector more. I will address my remarks to a specific part of that health delivery system: health services for francophone communities.

A report was published in 1975 or 1976, called the Dubois report. This report recommended that the government spend large sums of money to build proper facilities for the delivery of health care in the French language. It outlined, for instance, the necessity for having a psychiatric hospital in French.

Je voudrais vous illustrer, Monsieur l'Orateur, que dans mon comté, j'ai une de mes commettants, une Madame Chapelet, qui est présentement dans l'hôpital psychiatrique de Broadville. Cette dame a soixante-dix-sept ans et ne peut pas parler un mot en anglais. Elle est présentement dans cet hôpital, où elle ne peut avoir aucun service en langue française. Et ceci des années, Monsieur le Président, après que le rapport Dubois nous a informé que c'était important d'investir dans de meilleurs services pour la santé pour la population francophone de notre province.

Je crois que c'est déplorable. Monsieur l'Orateur, j'étais tellement frustré là-dessus que j'ai même émis un communiqué de presse.

I'll just repeat this. I was so upset by this situation that I forced myself into issuing a press release on this matter, Mr. Speaker. And, for the benefit of the members, I will read it to you in case you may have missed it.

Je vais lire comme suit: "Don Boudria a fait appel aujourd'hui auprès du ministre de la Santé, Dennis Timbrell, le priant d'établir un hôpital psychiatrique francophone en Ontario. Trente-cinq pour-cent des patients à l'hôpital psychiatrique de Broadville sont français et ils n'ont à peu près pas de personnel qualifié pouvant parler cette langue.

"Une patiente," comme j'ai mentionné tantôt, "Madame Pamela Chapelet, unilingue française, âgée de soixante-dix-sept ans, est incapable de demander les soins essentiels, au dire de sa famille."

Imaginez-vous, Monsieur le Président, cette situation. Qu'un commettant, dont les ancêtres viennent de ce comté et de cette province—ça

fait peut-être deux cent ans qu'ils demeurent ici—une personne qui a contribué envers tout ce qu'on a en Ontario, que cette personne ne peut même se procurer un verre d'eau dans un hôpital parce qu'elle est incapable d'avoir le service qui lui est dû. Monsieur le Président, ça c'est une situation déplorable.

Je suis persuadé que le député de Stormont, Dundas and Glengarry (M. Villeneuve), ayant lui aussi un grand nombre de commettants de langue française, est inquiet à propos de cette situation-là. Et je suis persuadé qu'il est content que j'apporte justement ce sujet-là, pour tenter de rectifier cette lacune.

Je continue à lire mon texte, Monsieur le Président: "Le Ministre a mis six semaines à répondre à ma lettre, ou je lui faisais part de cette triste situation. Et lorsqu'il a accusé réception, sa réponse était sans solution. Et je dis, au dire de Boudria, c'est une disgrâce de voir le gouvernement gaspiller son argent sur du luxe et priver la population francophone des services essentiels, tels que les soins psychiatriques. Car la guérison est sûrement plus longue chez un malade qui ne peut pas communiquer ou se faire comprendre aux infirmières.

Do you agree, Jim?

Je suis persuadé que le député de Simcoe Centre (M. G. Taylor) là-bas partage aussi mon opinion, et je suis persuadé aussi que le député de Prince Edward-Lennox (M. J. A. Taylor) est très concerné par cet aspect. Et naturellement le député de Cornwall est là parce qu'une grande partie de sa population a aussi besoin d'une amélioration de services de santé en langue française, et je suis certain que vous partagez, Monsieur le député—à travers de vous, naturellement, Monsieur l'Orateur—l'opinion qu'il y a des grandes lacunes dans ces services.

Enfin, je suis très déçu que le gouvernement n'agisse pas plus vite, mais je veux quand même que la Législature soit au courant du fait que cette lacune devrait être rectifiée avant qu'on donne cet argent au gouvernement.

This is the kind of situation that should be addressed by this government in order for us to give them interim supply.

I have other information here that I would like to share with some members. Let me read some of the concerns that people in my constituency have with the quality of financial management that this province is providing and why we require redress before we grant them interim supply. I know the Speaker is very concerned that I keep to the theme of the interim supply.

I received this letter from a constituent, and in it he tells us why we need better funding in agriculture. Let me read it to members, because I am sure they would want to hear this. It is addressed to myself, and it goes like this:

5 p.m.

"Sir"—he calls me "sir"—"I went to a local OFA meeting where our provincial president Ralph Barrie explained their position and demand for the five points interest rebate program for Ontario farmers. I personally support their request and intend to go to Toronto . . . to back them up.

"The latest slap in the face is the news of reducing the tile drainage loans from 75 per cent of capital cost to 50 per cent."

You will remember I was talking about that a while ago, Mr. Speaker. You can see I am not just making that up. My constituents are very concerned about that.

Mr. Elston: As are mine.

Mr. Boudria: Of course. We want the record to show that the constituents of the member for Huron-Bruce are very concerned as well.

I will read more of this letter: "There is no need to put up more money on the agricultural budget for tile drainage loans with that restriction"—meaning, of course, the restriction of going with 50 per cent of capital cost—"because more farmers than ever before will be squeezed to the point they can't afford it any more.

"Hoping to hear from you soon."

It is signed Leo Brisson, who is one of my constituents.

Then I received a letter from the Minister of Agriculture and Food, telling us what he is going to do about the farmers in my constituency and how he is going to provide funds for them. This is the Honourable Lorne C. Henderson. He wrote me a letter. It goes like this: "Dear Don, I wish to acknowledge your recent letter which included a copy of correspondence from Mr. Leo Brisson of Embrun, Ontario."

The Acting Speaker: This is on the amendment?

Mr. Boudria: Yes, Mr. Speaker. As I explained prior to reading the reply, I am illustrating this to you specifically because the people of my constituency expect the investment of this government to be in the people of Ontario rather than in places elsewhere, as in the acquisition of Suncor, which is a US-based company having interests in Alberta and so on.

Now where was I in this letter? "Mr. Brisson

wrote to me with an identical letter. I attach a copy of my reply to him. Examples of what I am doing to help are my recent announcement on July 24 for emergency payments on slaughter cattle and payments to hog producers under the sow-weaner program." That is fine, of course; but I wonder what it has to do with approving drainage. As you can see, Mr. Speaker, it has nothing to do with it.

Mr. Brandt: Or with Suncor for that matter, or anything.

Mr. Boudria: The member for Sarnia is wondering what that has to do with Suncor. I would like to tell him that we are not here to discuss Suncor. We are here to discuss interim supply. Through your guidance, Mr. Speaker, I am adhering to this. I would not go astray and go off at a tangent in the way the member for Sarnia suggests I am doing. I would rather stick to the topic, and I am sure you would approve of that. Now I will finish—

The Acting Speaker: On the amendment.

Mr. Boudria: I will finish reading the letter.

Mr. Nixon: The member opposite should tell us about his Suncor refinery down there. What's the matter with him?

Mr. Brandt: I'll tell you about the big ships down there.

Mr. Kerrio: And what the ships bring in with our money.

The Acting Speaker: Order, order.

Mr. Boudria: Yes, a very good point. Perhaps there is some comfort for the Tory members in knowing the money will be well invested in Pennsylvania. I hope the member thinks that is very nice but that is only—

An hon. member: Perhaps we should call them the tormented Tories.

Mr. Boudria: Maybe we should. But I think the money would be far better invested in helping the farmers of Ontario than the farmers of Pennsylvania. I do not think we will get very many jobs from farming in Pennsylvania. Perhaps we will get a few more people working at customs, because we will have to import more food. I suggest that if the money was invested here in this province, it would be far better for all of us.

I will finish reading this letter, because I still had one sentence I had not read. I know that you are waiting anxiously to hear this, Mr. Speaker. "I am confident that these two programs, along with others that are under review at this time, will give additional strength to Ontario's agricultural industry."

At that time, that minister had not given up on Ontario. As a matter of fact, he was counting on additional strength to that industry. What happened between the time of that letter of July 14, which I received on July 23, and today? I wonder what happened that could have discouraged that government so much. What made them give up on Ontario? Perhaps they should listen to more of our constructive opposition rather than the negativism they are having. I see the member for Sarnia looks up when I mention constructive opposition. We are a constructive opposition.

My very learned colleague from Halton-Burlington (Mr. J. A. Reed) has been trying day after day to convince this government that it should invest its money in alternative energy sources. That is constructive opposition. I am sure the Speaker in a non-partisan way will agree that is as constructive as one can be.

Mr. Elston: It would provide jobs for the people of Ontario.

Mr. Boudria: Just imagine how many jobs we would create in Ontario by investing in alternative energy instead of Suncor energy.

The government of this province wanted to have a window on energy. They say it is a window on oil, but I do not know what that is supposed to do. I think it would be much more important for us to have a window on energy in general rather than just a window on oil. Nevertheless, if they were really serious about us having a window, an input into energy, would it not be better to invest in the technology, in the research and in the production of alternative fuels? Would it not be much better to send a few of these high-paid public servants to a place in South America where they have already converted the majority of the automobiles to run on fuel alcohol instead of buying Suncor?

I fail to see how this government can justify that acquisition.

Mr. Kerrio: It cannot.

Mr. Boudria: That is a good point. I was just going to say they cannot justify it. The proof that they cannot justify it is they are not providing us with the information by which they could do it. The reason they are not providing it is probably because they cannot justify what they have done. It may be a blunder; it may be a mistake. The people sitting here to my left serve in a funny position on this. They are wondering whether it is a good idea to support the government on this acquisition because they think the government should buy 51 per cent. At

the same time they want to oppose it because they want to get some coverage and they are really scratching their heads right now. I would not have wanted to be at their caucus meeting this morning. They must be a divided group on this issue. They do not present a united front as do the provincial Liberals.

Mr. Foulds: If the provincial Liberals have a united front it will be the first time in the 10 years I have been in this place.

Interjection.

The Acting Speaker: Order. Speak to the amendment.

Mr. Villeneuve: That would be something new.

Mr. Boudria: I even got the member for Stormont, Dundas and Glengarry to say a few words so, obviously, I must have touched a very sensitive nerve. This must be a very controversial issue. Yes, it hurts. I would be disappointed in that policy as well.

I have had second thoughts about their position, but we all have that position so I am not going to worry about the way they feel on this.

Mr. Stokes: Are you in opposition to the federal government having Petrocan? Stop being hypocritical. You're going to rupture yourself by being on both sides of the fence at the same time.

Mr. Boudria: I just heard the member for Lake Nipigon asking if we take exception to the federal government's ownership of Petrocan. Of course we do not. If the honourable member will just get a copy of the Instant Hansard he will find I totally explained our position on that earlier this afternoon. At the time there was only one NDP member in this Legislature, the very distinguished member for Downsview.

Nevertheless, getting back to the amendment, because I certainly would not want to lead the conversation—

5:10 p.m.

Mr. Stokes: Which amendment?

Mr. Boudria: My friend should pay attention. We are discussing the member's amendment and the amendment to the amendment. We are discussing the theme of both of those.

The Deputy Speaker: I wish the gentleman who has the floor would speak to the chair.

Mr. Elston: Point of order, Mr. Speaker. I wonder if this might not be a good time to help the member for Lake Nipigon recall what the

amendment was since he obviously has displaced that in his mind. It might be well to have—

The Deputy Speaker: Order. No, this is not a good time to help the member for Lake Nipigon.

Mr. Foulds: Point of order, Mr. Speaker. I would like to indicate to these two first-timers in the Legislature that my friend and colleague the member for Lake Nipigon needs no help in recalling what should be the matter under discussion. Whether it is or not he needs—

Mr. Boudria: From time to time everyone needs it.

Mr. Samis: Even the member for Prescott-Russell.

Mr. Boudria: Mr. Speaker, I am glad the member for Port Arthur has told us of the very distinguished career of the member for Lake Nipigon. I want to reassure him we know of his very distinguished career and we certainly do not need the member for Port Arthur to remind us. Although I am a new member I recognize the achievements of the previous Speaker.

Getting back to the subject, Mr. Speaker, I will ignore interruptions. I have here a little letter that arrived by pageboy a minute ago. I question whether this sort of thing should occur, but I will let you decide as Speaker. This was sent to me by somebody who is obviously sitting in the gallery at this time or who was at the time this letter was sent to me. I can let you rule on whether this should happen.

It says, "I am a civil servant whose pay you are holding up. I have sat through your afternoon and consider you as an elected representative to be a waste of time" or something like that. I just question whether those types of things should be allowed to enter this chamber. I feel that representing the constituents of my riding does not constitute a waste of my time. Perhaps the civil servant who sent that can run against me in the next election. I would certainly—

Mr. Epp: Did he have the courage to sign it?

Mr. Boudria: Yes, but I cannot read it. I will send that to the member by page, Mr. Speaker, and you can decide whether this type of thing in the future should go on.

The Deputy Speaker: I will answer that now. There is nothing under the standing orders that makes it a responsibility on my ruling as to a letter a member has received. Your comments are well put.

Mr. Boudria: Mr. Speaker, it was not royal mail. It was obviously an attempt by somebody

in the gallery to participate in the debate. I do not think that person came from my constituency. If he had he would have signed it in a way I could read it. There is another way of getting into this Legislature—to run for office, which is what I did. I have a few more notes I would like you to see, Mr. Speaker.

The government of this province participated with the federal government in a very ill-conceived plan to insulate our homes with urea formaldehyde foam insulation. Many people living in my constituency and others—maybe even the person who sent me that letter—have houses insulated with urea formaldehyde. When we ask the government of this province to participate in removing that foam, when we ask it to make grants available to repair damages that were done through government fault, we get no action from them.

Mr. Stokes: It is the federal government's fault.

Mr. Boudria: Somebody is saying it is the federal government's fault. It was in the Ontario Building Code as well. It was government fault at both levels, and the failure of this government was not to do proper testing after members of the New Democratic Party advocated testing and verifying of it years ago. Even then, the government was not interested in participating in cleaning up that venture.

As a result, some of our population have no homes in which to stay. Some have had to move out of their houses and install trailers or mobile homes outside their residences. They have had to do this because this government has let them down. This government has given up on Ontario and decided to put its money in Alberta where the action is. I think they will be sorry they used that phrase. They probably are by now. There are not many of them here but some of the government members probably wonder what kind of wisdom—

An hon. member: They are probably where the action is.

Mr. Boudria: Maybe they are where the action is. Some of the government members probably wonder why that cabinet minister made that statement that day. I must agree with them. I do not see why that comment was made.

I was reading a special section of the Toronto Star today called Energy Special, dealing with ways to conserve energy and be more self-sufficient in energy in our homes. It is a laudable section of the newspaper and a great idea. The purpose of the whole thing, of course, is so

companies can sell wood stoves and heat pumps, but it is a good idea. Nowhere do I see anybody advocating the purchase of Suncor as a method of improving our energy self-sufficiency. There is not even a Suncor ad in all this. There are all kinds of other things in here like commercials for heat pumps, passive solar equipment and so on, but nowhere does it say we should be buying part of a foreign oil company to achieve self-sufficiency in oil in Ontario.

I have been talking for a long time. I am sure people in the gallery would want to know this as well, although I am not addressing myself to them. I am addressing myself to you, Mr. Speaker, but they have participated somewhat in this debate—at least one of them has.

We have here what is called—and I use the word liberally—the compendium. This is supposed to be what the government used to make the wise decision to spend \$650 million of our money. This kit was distributed. It has only a few copies of speeches by Conservative cabinet ministers, a reprint of the national energy program and a statement in this Legislature by the Minister of Energy in October 1980. Is this the basis of the government's acquisition of Suncor? Did they sit around a table, look at previous speeches they made to each other and decide—

Mr. Brandt: Good stuff, those speeches.

Mr. Boudria: They are beautiful speeches. I hope the government used a better rationale than that to buy an oil company, I really do. It is a disgrace to think that is all that constitutes a compendium for probably the largest single acquisition ever made by the government of this province.

The members of this Legislature are vested with the ultimate power of governing this province by the constituents in their respective ridings. But that is all that was provided for probably the largest acquisition the government has ever made. It is making a mockery of the parliamentary system.

5:20 p.m.

This is not a joke. What does the government think they are doing by providing us with a few copies of the Minister of Energy's old speeches of a year ago, which probably most Tory members threw out so they would not have to read them?

An hon. member: They are committed to recycling.

Mr. Boudria: The only energy that is being conserved there is the recycling of that speech, and I guess that saves one sheet of paper.

Very seriously, I do think this government owes this Legislature more than just a few of the speeches of its cabinet ministers. We have been vested with a responsibility, as the member for Sarnia said when he put me back with the emphasis on the right syllable. We have been vested with the ultimate responsibility of governing this province. It is not right to give us that kind of information and say, "Here, you are just opposition; that is all you deserve." Only you, Mr. Speaker, in your nonpartisan way, would understand this is not right. Only you would understand that being a member of this Legislature is far more important and has far greater implications than some of the government cabinet ministers think it has. They think because they have a majority now they do not have to justify anything they do.

What would have happened if these events of the last six months—not just this event, but all the events in fiscal policy in the last months—had occurred under a minority government? There is the \$10 million jet, this Suncor purchase, the ad valorem tax grant and so forth. Obviously we would have been back at the polls two or three times already. There is no way the majority of the elected members of this great Legislature would think this is the best way to handle tax dollars. It is not just a coincidence that all this is occurring after the election rather than before. It is deliberate: the government is using its power, and it is using the opposition as well. It is using its power to the maximum and a little bit beyond.

Maybe the person who sent me this letter is not aware the government introduced a resolution asking for its interim supply of money 90 minutes before the time allotted for debate ran out. And, of course, time ran out the next day. But 90 minutes is all we had as members of this Legislature to discuss the interim supply of the government, the same interim supply of money that is going to be used to pay for the jet, to pay for Suncor and to pay for all the other things this government will think of in the next three or four months—things that will probably be just as ridiculous as the ones it thought of in the last three or four months. Perhaps the people do not know that.

Yesterday my very distinguished leader showed in this House the telephone number of the Treasurer to all concerned and to the press—those who were here; I do not know if there

were any. We wanted the people to know that it is not the so-called fault of the opposition if interim supply is delayed. I am certainly not going to tell the government, "Look, guys, you should bring in interim supply with a little bit more time than 90 minutes." That certainly is not my function; it is their function as government.

They should have told us a week or two before, "Look, we are going to have this discussion on interim supply. We want you to be notified now. We can debate it in the House, and there the policies of this government"—or lack of policies, although they wouldn't say that—"can be properly aired. We can speak on behalf of our constituencies, and tell the government where redress is in order." That was not done.

This government took the Legislature for granted. That is what happened. At the House leaders' meeting they said, "Oh, by the way, on Friday morning we will bring in a resolution, because we need money to run for the rest of the year." What on earth is this parliament supposed to be for, if it is not to run the affairs of this province? The government just thought, "Oh, well, we will submit a very routine resolution. We need a few billion, and they will okay it. Everybody will nod and we will go home for the weekend and see our families"; which is a very nice thing to do, that is what we all do on the weekend.

Surely something of this magnitude deserves to be debated for more than a few minutes in this Legislature. I am sure the member for Ottawa East, when he heard last week we were only going to debate interim supply for 90 minutes, must have been appalled.

Mr. Roy: I was. I dropped everything I was doing and came right down here.

Mr. Boudria: Mr. Speaker, we have it right there; the member was so concerned, he felt this was just not the proper way to handle the affairs of this province.

I know some honourable members on the other side of this House would like to speak on this issue. They would just love to rip into some of those cabinet ministers for some of the things they have been doing. They really wish they had this opportunity. Let me remind my honourable confrères on the other side of the House they do have that power. They are, above all, not Tories. They are, above all, members of the Legislature of Ontario. That is what they are first; everything else comes after.

It is time some of them started to think they

are members of the Legislature, not trained seals, and not yes-persons, and not any of those other kinds of things. They are, in this province, the people who were vested with the privilege of representing the constituents in the Legislative Assembly of this province.

One of their roles is to ensure sound financial management of this province. If any of them think this is not sound financial management, as I am sure some of them must think, why can they not stand up and say so? Why can they not stand up and say to the government, to the cabinet minister, even though they are from their own party, "Look, we as well do not think you should get interim supply, until you provide a compendium of information to the Opposition parties, and to us," meaning the back-benchers.

I see the Treasurer is finally coming in. I am glad to see he is here. Maybe he brought the compendium with him, but I see nothing in his hand. I am very disappointed. I thought for sure he would have a proper compendium of information with him.

I thought my speaking in the Legislature on behalf of the people of this province would have moved that member to come in here with the compendium and say, "Look, what you have asked for is only fair and reasonable. As members of this Legislature, you want to know how this province is governed, and that is your right."

It is not a privilege; it is our right as members of this Legislature to know that. The government could provide all that to us. We could terminate the debate shortly thereafter and move on to some other items of business. I am sure that deep down inside the Treasurer feels that way as well. He probably does not even like Suncor. As a matter of fact—

5:30 p.m.

Mr. Kerrio: Oh, he was dead against it.

Mr. Boudria: That is right. I believe that, because he looks like a very reasonable man to me. I am sure he would not want to be party to such a decision. Maybe he was not party to the decision, but a dissenter from the decision. I see some more notes coming onto my desk.

Interjection.

Mr. Boudria: I will be finished in one or two minutes. That is very interesting. The member for York North (Mr. Hodgson) has just walked into this place, sat down for five minutes and asked that our very important conversation be

terminated. He has not even been here in this Legislature. He did not even know what we were talking about.

Mr. Wrye: I bet he knows what rate of return Suncor will get.

Mr. Boudria: Yes. If the member is prepared to give us that information, I will gladly sit down and let him provide us with the information that everybody else has refused to give to us. But he does not have it either. He will not stand up to speak against the policies of this government. He will just sit there and not do a thing and hope this thing is got over with as soon as possible so the people will forget it by the time the next election comes around.

Mr. Elston: Government by secrecy.

Mr. Boudria: Yes, but it is not only that. This is a government that introduces very popular measures before an election; all kinds of things—the BILD program and what have you. Then right after the election it socks it to the taxpayers not only for the ridiculous schemes it is getting into but for the promises it made just before the election so it can pay for them. This is not the way this province should be run. We as a party have discussed this matter very seriously and we have come to the conclusion this government is totally out of touch with the needs of the people of Ontario.

It is terrible to say that Ontario is not where the action is; to come out and tell us that Alberta is where the action is. Can anyone imagine, 10 or 15 years ago before this present administration, if somebody had stood in this Legislature and told us that some other place was where the action was; he or she would have been unanimously booed right out of the place. This is where the action was prior to this government. This is where the action should be. With the next Liberal government in this province, the one we will have after the next election, this province will return to the proper financial management it should have had.

Mr. Mackenzie: Dreamer.

Mr. Boudria: I was called a dreamer by some people when I sought the Liberal nomination and then when I stood in this last election. But the dream, if it can be called a dream, did come true and today I am standing here before members in this great assembly explaining to everybody how I think the people of my constituency feel about the way this government is running Ontario's affairs.

Mr. Roy: You give full value to your constituents.

Mr. Boudria: Thank you very much. But the people of Ontario are not getting full value from this government. They are getting a government that has admitted defeat, a government that has told us it no longer thinks Ontario is a worthwhile place to invest in.

Industries in all areas of the province need assistance. If the government wants to buy into an industry, why does it not buy into an Ontario industry? I guess the government is not interested in alternative energy. If it had been, it would have invested in that.

Assuming it is not, although it should be, why does it not invest in other industries? Why does it not invest in all kinds of other places, whether it be the auto parts industry or agriculture, to try to reduce our food imports from other countries. Why does it not invest more money in that? Why is the Ministry of Agriculture and Food of this province investing the least amount of dollars per capita of any provincial jurisdiction.

Interjections.

Mr. Boudria: Mr. Speaker, I am glad I have your undivided attention, but I am sure my distinguished colleague the member for Essex South (Mr. Mancini) was having an important conversation with you about some matter that deals with the constituents of Essex South. They are well represented in this Legislature by such an honourable member. Maybe you were having a discussion on how we could convince Conservative members in this place to come to grips with the situation so that they too would rise and speak on this issue.

It is rather unusual. We are standing here and speaking against the acquisition of Suncor. The members across the way, of course, are government members. Why are they not standing and speaking in favour of it, if they are in favour of it? If they are in favour, let them speak for it. If they are not, let them speak against it. There is only one position worse than a bad position; that is no position at all, and that is where they are right now. They seem to be devoid of any policy. Whatever the government says, they agree with.

Interjection.

Mr. Boudria: The member for Carleton (Mr. Mitchell) is starting to heckle a little, which is good. I am glad that member is coming to life. I am sure that, when I sit down after finishing my remarks, he will immediately rise and speak on this important issue, either for or against it. I

hope he rises and makes a speech of some sort on this topic, even if it is only for four or five minutes.

Mr. Wrye: This week or next week. Keep on talking.

Mr. Roy: You are going to have lots of time.

Mr. Eaton: Glad to see you here today, Albert. It's Tuesday.

The Deputy Speaker: Continuing with the debate.

Mr. Boudria: Yes, Mr. Speaker, I was just grabbing a drink of water. I was not giving an opportunity for other members to get into a private conversation, because I know that would be out of order. I certainly want to be in order. I know that several other members want to speak on this important issue.

I think I have spoken about most of the concerns my constituents have about the fiscal policies of this government. But I want the members to know that, when I go to my riding, there is not one place I go to without my constituents stopping me and saying, "Isn't that terrible about the government doing this and that?" I seldom hear praise for the government.

They stop me on the street. They come to my constituency office. They talk to me about the jet, about the lack of educational facilities, about the lack of services for our francophone community, about all kinds of other things. But I have yet to hear the people of my constituency come to see me and say, "Are we ever pleased that we have such a great agricultural policy." I have never heard that. Why is it we never hear that, Mr. Speaker? Because there is none there; that government just does not have the policy that it should have.

5:40 p.m.

I see in front of me the very distinguished member for Cochrane North (Mr. Piché). He is sitting in his seat, and I am sure he would like to stand as well. He would like to speak on that issue. He would like to say that the people from the north do not want a government that will invest elsewhere. He would want the government to invest in the north.

The only way he is going to get to do that is to stand up in this House and to speak on behalf of his constituents. If it is not permitted to do so on that side of the House, and it does appear that it is not, there is one simple solution. One could just walk right across the floor here and sit down on this side. I promise the member one thing,

the members of our caucus let all our members speak on important issues. We, as a caucus, do not try to muzzle our members.

Mr. Hodgson: That is all you have done for the last 40 years.

Mr. Boudria: The member for York North says, "That is all you have done in this caucus for the last 40 years." The member may be right. Maybe we have not been in government for very many years. Maybe we were a little too negative in the last election instead of being—I cannot think of the right word that would be parliamentary to describe what was done in the advertising by the government. Maybe we were not all of those things and we were negative instead, but we told the people the truth. If I have to tell something other than the truth to get elected, I would rather be defeated.

I told the people the truth in my riding and I got elected. Sooner or later, we will tell the truth to the people all across the province and we will be elected. Instead of having a government by surprise, by secrecy, by public opinion poll, we will have a government that speaks the truth and acts in the best interests of the taxpayers of Ontario. That is the kind of representation this province deserves. That is the kind of representation we intend to give them.

Mr. Piché: This is a sin, what you are doing.

Mr. Boudria: The member for Cochrane North says it is a sin. What is a sin? Is it a sin to stand here and speak on behalf of my constituents? I am going home tonight to see my constituents in the morning. If what I am doing today in this Legislature in speaking on their behalf is a sin, they will tell me tomorrow morning.

I would like them to tell the member for Cochrane North what they think of his actions. Is it not a sin to sit on his hands in this Legislature when one should be speaking on behalf of his constituents? That is an abdication of his responsibility; that is not the kind of thing we are doing in this party.

We think very highly of this great institution, of this Legislature. We do not take it for granted. This is not a sideline or some little club that members go to when there is nothing else to do. This, for us, is where government is. That is the way we feel as a party.

If the government felt the same way, why are they not providing the duly elected people of this province with the compendium of information that we asked for, that we need, that we deserve as members of this Legislature to be

able to go back to our constituents and say, "We have allowed the government interim supply because they have satisfied us that they are investing their money properly."

It sounds reasonable, as a member of this Legislature, to go home and tell them: "Yesterday, I voted to give the government money to administer the province because they are administering the money properly; they have proven to us that they are. And having proven that they are administering the funds properly, we are satisfied with that and we let the government have some more money to continue administering."

If the government wanted to muzzle us right now, instead of telling public servants to phone us and send us messages in the House and things like this, they could move the previous question and the thing could be over right after I have finished speaking. They are not prepared to do that.

Could it be that there is still some division within the government caucus and that they themselves want to see that compendium? Could it be that some government members would like us to have that so they can see it too, so that they can go back to their ridings and tell their people that they are satisfied that this government is investing the money properly?

It may be that they could not be satisfied. Maybe that is why the government is not providing that information. Maybe they just cannot properly rationalize this purchase. The other day the member for Grey-Bruce (Mr. Sargent) rose and spoke on a very important issue that was not answered by the Treasurer. The member for Grey-Bruce was so convinced of what he was saying that he could not hold back. Unfortunately, he was evicted from this great Legislature. He was so concerned with this very important issue that he just could not hold himself any longer.

That is a sad situation when we see that this government is frustrating this Legislature to that point. The member for Grey-Bruce has principle and, as an elected member, that is what is important; it is not toeing the party line but having principle, and the very distinguished member for Grey-Bruce has principle.

I have just about terminated my speech on this topic. I would like to thank the honourable members who have participated in this debate so far, and I would like to thank the members who have given me their undivided attention on this very important topic.

Now that I have announced I am going to

finish my speech, the Minister of Energy is coming in with documents in his hand. I wonder if I have convinced the Minister of Energy to give us a compendium.

I see the minister smiling; I think that is the compendium. If that is the compendium, that is not a victory for the opposition; it is a victory for this Legislature and for the people of Ontario. That is what it is if that is the compendium we have requested. If it is not the compendium, then it is a failure of this government to respect the Legislature of this great province.

Mr. Eaton: That's his speech. If the member thought his speech was long, wait until he hears this one. The minister has a speech even longer than his.

5:50 p.m.

Mr. Martel: Mr. Speaker, I have my speech written down here on a stamp, but that does not matter.

Mr. Piché: Who wrote your speech for you?

Mr. Martel: I think it was the Treasurer. The Treasury, if one looks at it carefully, is Suncor today and Pinco tomorrow. We are going to call it the People's International Nickel Company of Ontario, with headquarters in Sudbury.

Interjections.

Mr. Martel: I am delighted by the purchase of Suncor. In fact, if I had my way we would move even harder to gain control of resources, because ultimately it would lead to an industrial strategy for Ontario that would be workable—

Interjections.

Mr. Martel: I want to tell the member for Niagara Falls (Mr. Kerrio) something for him and him alone, and maybe he will listen, about the former member for Nipissing—not the one who was defeated but my good friend the late Dick Smith. When the select committee looked at economic and cultural nationalism and my colleague Ian Deans and I moved in the report on resource ownership that we should have 100 per cent control of resources, Dick Smith said, "Can I join you in signing that dissent?"

If the member wants to go back and look at the report for 1974 on natural resources, he will find in a footnote in that document that Deans, Martel and Smith said that, after we got the Tories to agree to 50 per cent control of resources. I remind my Tory friends that seven of them signed that document: the Minister of Correctional Services (Mr. Leluk), the Minister of Consumer and Commercial Relations (Mr. Walker), the member for Mississauga South

(Mr. Kennedy)—they were all there, and they were calling for a 50 per cent takeover of the resource sector.

Interjections.

Mr. Martel: I am coming to that. Seven Tories wanted that, and their friend and my friend Dick Smith said, "Fifty per cent is not enough; we have got to have control of it all."

It is interesting that just last year the Ontario Mining Association had a poll done which, I say to the Treasurer, indicated that more than half the people in this province want government involvement in resource ownership. The fact that we did not start in Ontario is a bit bothersome. But I remind the Liberal Party that in 1972 their federal colleagues, under some pressure in a minority government, established Petrocan.

It was a great move for Canada. We are going to gain 50 per cent control of the resource sector, at least in gas. It does not go far enough to suit me and some of my colleagues. Obviously it goes far enough to suit the federal Liberals. But I find it strange that the Ontario Liberals do not want to join us. The Leader of the Opposition (Mr. Smith) said, "I am moving to the left." But that was two months ago.

Mr. Mancini: Are you with us on this or are you with the Tories?

Mr. Martel: On ownership, I am with the Tories.

Mr. Mancini: Then why are you filibustering?

Mr. Martel: I can remember the leader of the Liberal Party at a policy conference when he said, "I am moving to the left." Well, he meant left of Genghis Khan or Attila the Hun; I am not sure which, but it was not very far to the left.

Interjections.

Mr. Martel: When I listen to the claptrap about resource ownership, I think the Liberals are devoid of policy. I can understand wanting more documentation, and that is why we are joining in; I for one would like to see more. But if I had my way, I would want the documentation not to argue about 25 per cent; I would want the documentation to argue for 51 per cent.

Mr. Kerrio: Where would you get the money?

Mr. Martel: I am no great entrepreneur but, when I look at how corporations do it, they put

up a very small portion of their own money and they allow dividends and profits and whatnot to pay for it.

Interjections.

The Deputy Speaker: Speaking to the chair, the member for Sudbury East.

Mr. Martel: I would sell a couple of federal jets.

Mr. Breithaupt: Sell the provincial one too.

Mr. Martel: I have listened about that provincial jet. Last week, the Liberals were going to reforest the whole forest shortage with one jet—\$10 million. The shortage in the resource field and the woods industry is so great that \$10 million would not even begin to rectify the problem in the resource sector in forestry. If they think that is going to do it—and they have spent that \$10 million in 47 different ways so far—I do not know how long they can stretch the elasticity in that \$10-million debt.

I know what the government wants it for. They want it for the next election so they do not have to rent a plane, and the Premier can come in, as he did into North Bay, and promise this, that and the other. He flew into Sudbury from North Bay and promised some money for the science centre. Then he jetted off somewhere else and made another promise, to Timmins and then Kapuskasing. If it would only land. If he only had a landing field long enough, he could come in and give away the store.

I am arguing for documentation and asking the minister for it, because I want to argue that we need 51 per cent. If we are going to get the

maximum benefits of the federal write-offs to accrue back to this province, surely we should get control. I do not mean 25 per cent; I am talking about absolute control. When we get 25 per cent and provided they can get Canadianization for the next 26 per cent, the largest single block will still be in the United States.

Unless they can get that 51 per cent, with 26 per cent of it divided between a couple of other companies, unless they can get some sort of agreement the 49 per cent in the United States will still be in control. I do not want them to have control, and that is why I stand here arguing that we need the documentation to get a handle, to determine if we are getting a good deal.

I have been here a long time and I have heard cabinet minister after cabinet minister, led by the Treasurer and the former Minister of Natural Resources, say: "You guys want to nationalize everything. You do not know what you are talking about." What are the people opposite doing in the nationalizing field now? They are getting a little red over there. I can see them taking over a loser. When they took over Minaki, everyone knew they bought a loser.

Mr. Piché: Minaki's good for the north and you know it.

Mr. Martel: That issue will come back to haunt you.

Interjections.

The Deputy Speaker: Order.

The House recessed at 6 p.m.

CONTENTS

Tuesday, November 3, 1981

Statements by the ministry

Baetz, Hon. R. C., Minister of Culture and Recreation:

Association of French-speaking parliamentarians. 3118

Elgie, Hon. R. G., Minister of Labour:

Dump truck owner/operators. 3119

Oral questions

Bennett, Hon. C. F., Minister of Municipal Affairs and Housing:

Rental housing, Mr. R. F. Johnston, Ms. Copps. 3126

Hamilton-Wentworth Housing Authority, Ms. Copps. 3129

Housing loan program, Mr. G. I. Miller. 3130

Drea, Hon. F., Minister of Community and Social Services:

Welfare payments, Mr. Cassidy, Mr. R. F. Johnston, Mr. Martel. 3123

Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics:

Ontario energy investment, Mr. Smith, Mr. Wildman, Mr. Peterson. 3119

Economic policy, Mr. Cassidy, Mr. Mancini. 3122

Stephenson, Hon. B. M., Minister of Education and Minister of Colleges and Universities:

Francophone schools, Mr. Sweeney, Mr. Boudria, Mr. Cassidy. 3128

Walker, Hon. G. W., Minister of Consumer and Commercial Relations and Provincial Secretary for Justice:

Combines Investigation Act, Mr. Samis, Mr. Swart. 3128

Landlord and tenant disputes, Mr. Philip, Ms. Copps. 3130

Welch, Hon. R. S., Minister of Energy:

Ontario energy investment, Mr. Smith, Mr. Cassidy. 3119

Ontario energy investment, Mr. J. A. Reed, Mr. Samis. 3125

Report

Select committee on pensions, Mr. J. A. Taylor, adjourned. 3136

First readings

Ministry of Consumer and Commercial Relations Amendment Act, Bill 162, Mr. Walker, agreed to. 3138

Personal Property Security Amendment Act, Bill 163, Mr. Walker, agreed to. 3138

Government motion

Interim supply, resolution 10, Mr. F. S. Miller, recessed. 3139

Other business

Speaker's role, Mr. T. P. Reid. 3117

Constitutional negotiations, Mr. T. P. Reid. 3117

Speaker's role, Mr. Martel. 3117

Ontario energy invesment, Mr. Smith. 3131

Energy and agriculture, Mr. Breaugh. 3134

Oral questions procedure, Mr. Bradley. 3135

Energy and agriculture, Mr. Nixon. 3135

Answer to question on Notice Paper, Mr. Gregory, tabled. 3139

Recess. 3156

SPEAKERS IN THIS ISSUE

Bennett, Hon. C. F.; Minister of Municipal Affairs and Housing (Ottawa South PC)

Boudria, D. (Prescott-Russell L)

Bradley, J. J. (St. Catharines L)

Brandt, A. S. (Sarnia PC)

Breaugh, M. J. (Oshawa NDP)

Breithaupt, J. R. (Kitchener L)

Cassidy, M. (Ottawa Centre NDP)

Cooke, D. S. (Windsor-Riverside NDP)

Copps, S. M. (Hamilton Centre L)
Cousens, D.; Acting Speaker (York Centre PC)
Drea, Hon. F.; Minister of Community and Social Services (Scarborough Centre PC)
Eaton, R. G. (Middlesex PC)
Elgie, Hon. R. G.; Minister of Labour (York East PC)
Elston, M. J. (Huron-Bruce L)
Epp, H. A. (Waterloo North L)
Foulds, J. F. (Port Arthur NDP)
Gregory, Hon. M. E. C.; Minister without Portfolio (Mississauga East PC)
Havrot, E. M. (Timiskaming PC)
Hodgson, W. (York North PC)
Johnston, R. F. (Scarborough West NDP)
Jones, T. (Mississauga North PC)
Kerrio, V. G. (Niagara Falls L)
Lane, J. G. (Algoma-Manitoulin PC)
Mackenzie, R. W. (Hamilton East NDP)
Mancini, R. (Essex South L)
Martel, E. W. (Sudbury East NDP)
Miller, Hon. F. S.; Treasurer of Ontario and Minister of Economics (Muskoka PC)
Miller, G. I. (Haldimand-Norfolk L)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Peterson, D. R. (London Centre L)
Philip, E. T. (Etobicoke NDP)
Piché, R. L. (Cochrane North PC)
Reed, J. A. (Halton-Burlington L)
Reid, T. P. (Rainy River L-Lab.)
Roy, A. J. (Ottawa East L)
Samis, G. R. (Cornwall NDP)
Sargent, E. C. (Grey-Bruce L)
Smith, S. L. (Hamilton West L)
Stephenson, Hon. B. M.; Minister of Education and Minister of Colleges and Universities
(York Mills PC)
Stokes, J. E. (Lake Nipigon NDP)
Swart, M. L. (Welland-Thorold NDP)
Sweeney, J. (Kitchener-Wilmot L)
Taylor, J. A. (Prince Edward-Lennox PC)
Turner, Hon. J. M.; Speaker (Peterborough PC)
Van Horne, R. G. (London North L)
Villeneuve, O. F. (Stormont, Dundas and Glengarry PC)
Walker, Hon. G. W.; Minister of Consumer and Commercial Relations and Provincial Secretary
for Justice (London South PC)
Welch, Hon. R. S.; Minister of Energy (Brock PC)
Wildman, B. (Algoma NDP)
Wrye, W. M. (Windsor-Sandwich L)
Yakabuski, P. J. (Renfrew South PC)



Ontario, LEGISLATIVE ASSEMBLY

No. 88

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Tuesday, November 3, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

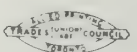
CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

Tuesday, November 3, 1981

The House resumed at 8 p.m.

INTERIM SUPPLY (concluded)

Resuming the adjourned debate on the amendment to the amendment to the motion for interim supply for the period November 1, 1981, to March 31, 1982.

Mr. Martel: Mr. Speaker, before the dinner hour I started to make a few remarks with respect to what was going on in this province. I indicated that my friends across the way cannot be trusted any more; they want to nationalize everything. I was worried about my friends to my right because, despite having announced they were moving to the left, they moved further to the right.

Mr. J. A. Reed: We are just staying on course. Those guys are moving to the left.

Mr. Martel: If they move to the left opposing the Canadianization of an industry, I am somewhat surprised. I just brought a couple of the select committee reports with some of the Liberal members' findings. One of those recommendations, as I said earlier, was signed by the Tory members as well. It said, "The government should be empowered to take up to 50 per cent of the equity in new ventures in the nonrenewable natural resource sector." Most Liberals, of course, hide their heads in shame when that is thrown back at them because they want to run around the province and say, "You fellows over there want to, particularly the Treasurer (Mr. F. S. Miller)."

Mr. J. A. Reed: We were thinking of Ontario, not Alberta.

Mr. Martel: We are going to come to that. The select committee then went on in another report in talking about the Ontario Development Corporation and said: "ODC should be suitably equipped with the legal and financial capacity to undertake reacquisition of enterprises should that be deemed in the public interest; to acquire enterprises coming up for sale from foreign owners for which no Canadian buyer can be found provided the acquisition is in the public interests, and to acquire on a temporary basis Canadian corporations which otherwise fall into foreign-owned hands."

The oil industry happens to be in foreign hands. I for one want to see it Canadianized. The federal Liberals in Ottawa, I am told, do that. They have a thing called Petrocan. We remember when Joe Who was going to sell it, and Joe Who lost that last election. One of the main platforms in his plank was to sell Petrocan, and he is no longer there. I suggest we must move heaven and earth to get control of resources.

Mr. J. A. Reed: Even if they are not Ontario's?

Mr. Martel: They are Canadian.

The Acting Speaker (Mr. Cousens): On the amendment.

Mr. Martel: Yes, I am coming to the amendment, Mr. Speaker. Our trade deficit, of course, is based across Canada. Last year in resources we had an imbalance of \$38 billion worth of imported finished goods as opposed to \$21 billion worth of resources and a few manufactured goods flowing out. The way to get control and to alter all of that is to have total control of the resource sector.

Mr. Nixon: What about interim supply?

Mr. Martel: That is what I am talking about, money. I listened to one of that member's people speaking today for two hours. I do not think he spoke to the motion once.

We in this country have an opportunity to start that process. We have power in the form of gas. We have power in the form of oil, water, uranium and coal. We have all the types of forest products we need. We have the natural resources in the mineral field to make us a very wealthy country. Is it not strange that a country like Japan without any of these is leading the world economically? We have a million unemployed and we have them all. That says something for Ontario, and that says something for the Canadian government. We have done nothing to retain control of our own resources and thereby utilize them to our advantage.

No one can be condemned more than the government of Ontario. Only two years ago this government, in a tax bill, allowed Falconbridge to expand its operation in Norway and write off its tax against the Ontario tax dollar. Talk about giveaways. Members can understand my delight when, after 14 years of imploring this government

to start to gain control, they finally move in and they take gas.

As I said: Suncor today, Inco tomorrow. We will have the People's International Nickel Company maybe someday. Maybe we will use our resources, and I could be the president.

We finally move in that field, and what happens—

Mr. T. P. Reid: Let's nationalize Seagrams and do something worthwhile.

The Acting Speaker: Order.

Mr. Martel: As I said earlier today, we think what we need from the government, to understand that deal, is more of the documentation. For example, we need to know, if we are buying 25 per cent and if it is a good deal, whether we should then go for 51 per cent.

We are better off having control than just a share. If we just have a share of the action the decisions will still all be made south of the border.

Mr. J. A. Reed: You would tax your great grandchildren.

Mr. Martel: No, I would not tax them.

Mr. J. A. Reed: You would leave them with a debt.

The Acting Speaker: On the amendment.

Mr. Martel: We have a debt in this country, compliments of the Liberals and Tories, that is astronomical.

Mr. J. A. Reed: Why do you want to go out for 100 per cent of Suncor?

Mr. Martel: No, I said 51 per cent. That would give us control, and of course, we would maximize the benefits that are going to accrue under the federal program.

Mr. T. P. Reid: For a resource that does not exist in Ontario. That makes a lot of sense.

Mr. Martel: That is poppycock.

We are debating this issue tonight and the Minister of Energy (Mr. Welch) is not listening—and we wonder how we are going to get a resolution of this.

Mr. Nixon: We are listening.

Mr. J. A. Reed: We are listening.

The Acting Speaker: Order, the member for Sudbury East has the floor and is speaking on the motion.

Mr. Martel: The real issue before us tonight is not interim supply. We are playing games. It is not interim supply. This is the only method the Opposition has at its disposal to get documentation on the biggest deal Ontario has ever

entered into. The government has refused to provide even the most basic facts. The compendium last week was a lot of nonsense.

I am asking the government, the Deputy Premier (Mr. Welch), to consider two things. Let us divorce interim supply from the documentation for the moment. Let us say to the minister I and my friend from Brant-Oxford-Norfolk (Mr. Nixon) two weeks ago indicated to his House leader that we thought that five months was too long. We thought it should be a shorter time.

If one looks at the select committee report on interim supply, it recommended only four months. The standing orders say not more than six, but the select committee that studied interim supply "recommends that the motion for interim supply authorize the expenditure of the government for a period of four months rather than for a portion of the proposed total expenditure."

My friend from Brant-Oxford-Norfolk and I said to the government House leader, "Look, five months is too long. Why do you not ask for two and then come back on the last day or during the last week of the Legislature, because we will have the windup speeches on the budget. The budget will be voted on then." On that occasion, we not only are approving the budget—it is a crazy way of doing it, we should have done it last April, as they do in Ottawa—but we have this crazy thing that we spend all the money and then after it is all spent, we then approve it, or nine twelfths of it.

8:10 p.m.

The minister should consider reducing his time to four or five weeks, as we recommended last night and as was moved by my leader, and then bring in another interim supply resolution if we approve this one. He could bring in another interim supply bill at the end of that time which would carry it until March. That would get us through the impasse of not paying civil servants, not paying the bills and people being short of money. We could then deal with the other issues.

Let me ask the Deputy Premier, the minister responsible for this purchase, if he would be prepared to sit down with the critics from the Liberal Party and the New Democratic Party, or maybe a small committee, and go through some of the documentation indicating why some of it is confidential and indicating what the minister can present to the members.

If at the end of five weeks we are not satisfied and the Liberals are not satisfied they have

adequate information, we could come back and take another kick at the can on interim supply. Surely the government should be a little more flexible. I think they have to admit they started this whole process without even trying to meet the rules of the Legislature. They came in and threw together a couple of glossy documents that had no meaning.

I am putting two simple proposals to the minister: I am not attaching us getting the information to the interim supply because I think they are two distinct motions, but they leave us no alternative. Let us deal with it in two sections. We give him concurrence to get this through and we get it done with an indication it is only for four or five weeks. He accepts our amendment or the Liberal amendment. Then some time in the next seven or eight days he establishes a committee of a couple of people on his staff, himself, the Liberal critic, the NDP critic, maybe someone else and they sit down.

I am sure my friends in the Liberal Party would agree some material would be absolutely confidential. We respect the right of the government to retain that information. We are asking them to share with us the information that is available. I do not think that has been done in an honest and frank manner. I am not accusing anyone of lying or anything like that. I am just saying, maybe by oversight or something, it has not happened. We are at an impasse that is really simple to resolve if we deal with it in two distinct steps.

I would hope my friends to the right would agree to that if the Deputy Premier indicated he was prepared to follow that route. No one would lose face and we would get about the business of the province. I leave that proposal because if it came down to a vote on closure under rule 36—it might not be called closure—the rules are simple. The government has at its disposal the right to end this at any time it wants simply because it has the numbers.

It is easy for some member to insist that the question be now put. It does not have to be the minister. It can be a back-bencher. It can be anyone. They can move it and it is not debatable. The Speaker determines whether there has been enough debate and the question is called.

I would not want to be in that position. I hope the government does not want to use that. I hope the government wants to be a little more flexible. I think they would find flexibility on this side in reaching some sort of agreement without anyone appearing to have lost face.

I put that to the acting Premier. I would hope that when he has an opportunity he could respond in a favourable light and I think the member for Brant-Oxford-Norfolk would agree that, if he gives us his word, he is prepared to establish a small committee to look at it. We did it when the Treasurer came over last January with the report on the auto industry. The minister came over and said certain materials were confidential. There was a minority government then. We could have forced it but we did not even try. We were prepared to accede to the request by the Treasurer at that time that some of the material be confidential. He crossed out some of the material and we accepted what he presented to us. The shoe was on the other foot and we were able to work out a satisfactory solution. The Treasurer is here now with the minister responsible for this deal—they would be prepared to do the same now, and we could get on with the business of the province instead of this stalemate.

With that, Mr. Speaker, I have taken enough of the time of the House. I have put this proposal forward. I would certainly appreciate hearing the response of the Deputy Premier.

Mr. Van Horne: Mr. Speaker—

The Acting Speaker: Is this a point of order?

Mr. Van Horne: I just want to carry on with the debate.

The Acting Speaker: I was taking the rounds. You have spoken, the New Democratic Party has spoken, and I was looking to this side if there was a speaker and then—

Mr. Van Horne: I am glad you did, Mr. Speaker, because that side has been noticeably silent over the past many hours. If the Deputy Premier wishes to speak, I hope we will have the opportunity to carry on with the debate, because I simply do not want, nor will I stand for, his standing up and cutting us off.

Hon. Mr. Welch: Mr. Speaker, I am pleased to have this opportunity to participate in our debate on interim supply. In doing so I think it is important to set the background with respect to many of the points to which members of the House are entitled to some reply and to some comment.

A great deal has been said in the debate with respect to the purchase of 25 per cent of the shares of Suncor. The key issue that has been raised, I think a very important issue—in fact, all the points that have been raised during the course of this debate and in the question periods that have preceded it are very important—and

people are entitled to some exchange of information and some response from this side of the House. The key issue is whether the Legislature has been given sufficient information on the nature of the deal and on Suncor itself—a very legitimate question, very legitimate concerns. In the context of that and as part of that has been the whole question and concerns as to the adequacy of the compendium that was filed.

I should like to recall for members what the Camp commission said—and there has been a great deal said about this. My learned friend, the member for Sudbury East (Mr. Martel), was a very active member of that commission—

An hon. member: The Morrow commission.

Hon. Mr. Welch: —or rather the Morrow commission, which followed up in the consideration of the Camp commission report. We should really use this opportunity to recall what the Camp commission said about a compendium. Indeed, we have been reminded as recently as this afternoon's question period what the rules of the Legislature now provide.

The Camp commission stated—and I am now quoting from that report—that in the British House of Commons, "We have noted that each item of new legislation"—and I underline the word "legislation"—"is accompanied by at least some of the relevant reports and studies undertaken by or available to the ministry. This compendium of background is prepared by the ministry and placed in the library at the time of the first reading for use of the members who may then use the material as background to familiarize themselves with the nature of the legislation. This is a sensible and indeed a simple process we would recommend for the consideration of the present ministries of Ontario." That is the end of the quotation found on page 50 of the Camp commission report.

Members of the Legislature will note the Camp commission only spoke in terms of a compendium as it relates to new legislation, not policy statements.

8:20 p.m.

Mr. Van Horne: A point of privilege, Mr. Speaker: Earlier today we heard the Speaker—you are the Acting Speaker as I understand it—get into some definitions of what we have just heard from the Minister of Energy and the Deputy Premier. I would point out to you—

The Acting Speaker: Point of privilege.

Mr. Van Horne: This is a point of privilege. He is giving a definition of compendium and I submit to you that he is simply trying to stick it

to us as an opposition and point out that we have no rights. He is not right. I am telling you, Mr. Speaker, that this is a presentation to cut off debate in this House and it is wrong.

Hon. F. S. Miller: On that point of privilege—

The Acting Speaker: It was not a point of privilege, it was a point of view.

Hon. F. S. Miller: I think we have tried very hard on this side, through some of their speakers opposite in particular, to listen to whatever they said no matter how repetitious they became. I think the member should give us the opportunity to speak without interjecting.

The Acting Speaker: That is not a point of privilege or a point of order. The honourable Minister of Energy has the floor.

Hon. Mr. Welch: May I repeat, Mr. Speaker, so we do not lose context, the Camp Commission only spoke in terms of a compendium as it relates to new legislation, not to policy statements. Since then, the rules of the Legislature have been amended to state that "after any policy statement the minister shall table a compendium of background information," to quote from the standing orders.

Contrary to the allegations made in this debate and elsewhere, there is no precise definition of a compendium. There is no precise definition of what a compendium should comprise and there is no—and I underline no—five-day or other deadline imposed as to when the compendium should be tabled. Be that as it may, it is alleged the information which has been made "available on this transaction, either by way of the compendium or by way of answers to questions tabled in the House is insufficient. However, the facts would suggest something quite different. A considerable amount of information—and I would hope that members will bear with me as I go through this because they are entitled to have this information—on the Suncor transaction and on the government's policy has, in fact, been tabled.

It includes the following: First of all, a policy statement by the Minister of Energy dated on October 10, 1980, in which it is specifically stated—and I would point this out as it is a very important policy statement:

"That the Ontario Energy Corporation play an increasingly important role in helping to meet our energy security targets and reduce our dependency on foreign oil. New areas of emphasis for the corporation will include . . . the Ontario Energy Corporation will actively seek opportunities to participate in the Canadianization of

the oil and gas industry in line with the federal government's announced plans to reduce the level of foreign-ownership of the industry."

That was tabled a year ago as part of the policy statement made in this House. The Leader of the Opposition held up a summary of that and neglected to point out that, as part of that statement, was the expanded statement which was made one year ago in this House. This government made it quite clear that as far as an expanded role for the Ontario Energy Corporation was concerned, it would include this paragraph and a very important one, "... that the Ontario Energy Corporation will actively seek opportunities to participate in the Canadianization of the oil and gas industry in line with the federal government's announced plan to reduce the level of foreign ownership of the industry."

In support of that policy statement, included as it was in the compendium, the Legislature was also provided as part of that compendium with copies of the government's policy statement entitled "Energy Security for the 1980s: A Policy for Ontario." Also included were excerpts on Canadianization taken from the federal government's national energy program.

Mr. Kerrio: Is 25 per cent Canadianization?

The Acting Speaker: Order.

Hon. Mr. Welch: Number two, also tabled—

Mr. Kerrio: Now who is he kidding? Twenty-five per cent is just a pittance. It is not Canadianization. Come on.

The Acting Speaker: The minister has the floor.

Hon. Miss Stephenson: Why do you not play a part in it? Just listen.

The Acting Speaker: The minister has the floor.

Hon. Mr. Welch: Also tabled—

Mr. T. P. Reid: The Minister of Education cannot find money for the universities and the Minister of Energy is spending \$650 million on Suncor.

The Acting Speaker: Order. The minister has the floor.

Mr. T. P. Reid: You are going to have to close some universities and he is blowing \$650 million.

Hon. Miss Stephenson: Oh, really?

Hon. Mr. Welch: Also tabled, Mr. Speaker, were the 1980 Suncor annual report and the first and second quarter 1981 report to the Suncor shareholders.

I think it is important and indeed revealing to examine just what kind of information these reports contain. I am sure that each member has read the reports line by line very carefully. But let me remind them what they would have read in those reports. May I briefly describe them.

Mr. Van Horne: Mr. Speaker, I am sorry. A point of privilege.

The Acting Speaker: What is this, a point of order or a point of privilege?

Mr. Van Horne: On a point of privilege, Mr. Speaker: My privilege as a member is being abused horrendously by this government. They have simply not presented the compendium. The Deputy Premier is standing—

The Acting Speaker: That is not a point of privilege.

Mr. Van Horne: —and suggesting that they have given the information to us—

The Acting Speaker: The minister is responding to this.

Mr. Van Horne: I will not take my seat, because he is simply not—

The Acting Speaker: The minister has the floor. I caution you that the minister has the floor and is responding to the questions that have been raised.

I am standing.

Mr. Van Horne: Mr. Speaker, I will sit down one more time, but I want to hear—

The Acting Speaker: I caution the member for London North.

Mr. Van Horne: We are simply not getting the truth. This government is trying to strangle us. This government is trying to put the—

The Acting Speaker: Order. You will have an opportunity to participate in the debate. The minister has the floor; I ask you to respect his time.

Hon. Mr. Welch: Also tabled, Mr. Speaker, as I have already indicated, were the 1980 Suncor annual report and the first and second quarter 1981 report to the Suncor shareholders. It is revealing to examine—

Mr. Kerrio: Public knowledge.

Hon. Mr. Welch: That is not a bad interjection.

It is revealing to examine just what kind of information these reports contain. Let me very briefly describe them.

First, they spell out the financial status of the company, comparing the first half of 1981 with 1980 and 1979 in terms of revenues, earnings,

funds from operations, purchases of properties and plant and equipment, shareholders' equity, earnings as a percentage of capital employed, earnings before extraordinary gains per common share, funds from operations per common share and dividends paid per preferred share.

Concerning Suncor's operations the reports spell out information on gross production of conventional oil and natural gas, liquid and synthetic crude oil, gross natural gas sales, crude oil processed at Suncor's refinery, sales of refined product, gross—

Mr. Van Horne: Mr. Speaker, I am sorry—

The Acting Speaker: Is this a point of order? You do not have the floor. Is that a point of order or a point of privilege?

Mr. Van Horne: It is a point of privilege, Mr. Speaker.

The Acting Speaker: Then I will hear your point of privilege.

Mr. Van Horne: I will not sit here and be subjected to this litany of nonsense. Either we are going to get the facts or we are not. The government is trying to put us in a position where we know nothing.

8:30 p.m.

The Acting Speaker: The minister has the floor. That is not a point of privilege. You will have an opportunity to participate. Please take your seat.

Mr. Van Horne: I am sorry, Mr. Speaker, I cannot take my seat. I must submit to you—

The Acting Speaker: The member for London North has been warned. I would ask him to take his seat.

Mr. Van Horne: Mr. Speaker, I have been warned. I thank you for the warning. On behalf of the citizens of Ontario I must speak out against this government nonsense.

The Acting Speaker: The member for London North has not made a point of privilege or a point of order. I must name the member. I ask the Sergeant At Arms to remove him.

Mr. Van Horne: It is a pleasure to be removed from this nonsense.

Mr. Van Horne was escorted from the chamber by the Sergeant at Arms.

Interjections.

The Acting Speaker: Order.

Hon. Mr. Welch: Mr. Speaker, in terms of Suncor's operations, the report spells out information on gross production of conventional oil and natural gas, liquid and synthetic crude oil,

gross natural gas sales, crude oil processed at Suncor's refinery, sales of refined products, gross proven reserves of conventional oil, natural gas liquids, synthetic crude oil and natural gas. Clearly a substantial amount of information on Suncor has been tabled and is available to the Legislature.

Mr. Wildman: It was public information that was available anyway.

Hon. Mr. Welch: With respect to the 10-K form referred to by the leader of the New Democratic Party last night, that information is essentially the same as in the Suncor annual report with the exception perhaps of the estimated value of its oil and gas reserves. However, I caution the members that the present value estimates given in the 10-K report are, "On the basis of certain mandating requirements of the Securities and Exchange Commission, including current prices and costs and the 10 per cent discount rate."

The 10-K report therefore may not reflect the company's view of revenues, earnings or present values, nor I would add does it necessarily represent the value placed on the reserves by our consultants.

The latest information on the Ontario Energy Corporation was also tabled, including a description of its mandate and its activities. In so far as the agreement to purchase 25 per cent of Suncor is concerned, I remind the members they have been provided with the following information:

1. An outline of the letter of commitment signed with Sun Company Incorporated, which deals with (a) the form of the purchase; (b) Canadianization; (c) possible further sales of shares; (d) minority shareholders; (e) frontierland exploration; (f) representation on the Suncor board; (g) dividend policy; and (h) the use of trademarks and patents.

2. A point-form rationale for why the government decided to purchase 25 per cent of Suncor.

Interjections.

The Acting Speaker: Order. The minister has the floor. I respectfully call upon the members to refrain from interjections.

Hon. Mr. Welch: 3. A point-form description of Suncor as a petroleum company and where it fits relative to other companies in the petroleum industry.

4. A chronology of the negotiations; and

5. A summary of the McLeod Young Weir valuation and a summary of the Price Waterhouse critique;

Also tabled was information on the financial and legal advisers to the Ontario Energy Corporation, the fees paid to date and the fact that there is no obligation or intention to pay a finder's fee.

By any measure, the information available to the Legislature and the public of this province generally on this transaction is considerable. It is about time that was stated as part of this debate. I should also advise that the government is committed to table the final agreements when these are negotiated. I repeat, we are committed to table the final agreements when these are negotiated. I think that is important. So the compendium and the information is as stated.

Mr. J. A. Reed: On a point of privilege, Mr. Speaker: I have listened carefully to the Minister of Energy as he restated what he has sent across the House and described as a compendium. Surely the privileges of the members on this side—

The Acting Speaker: Would you quickly come to the point of privilege?

Mr. J. A. Reed: This is a point of privilege. You should listen to it, Mr. Speaker. Surely the privileges of the members on this side are being abused if the minister thinks—

The Acting Speaker: The honourable member will take his seat.

Mr. J. A. Reed: The minister sent that material across and claimed it was a compendium when it was not the material upon which he based the decision—

The Acting Speaker: The honourable member does not have the floor and he will please take his seat. The Minister of Energy has the floor.

Hon. Mr. Welch: I wonder if we might now turn to the issue of what has not been tabled and why. As members are aware—

Mr. McClellan: The minister is filibustering.

Mr. Kerrio: Why don't you admit it?

Interjections.

The Deputy Speaker: Order. The Minister of Energy will continue.

Hon. Mr. Welch: That's the best tonight. As members are aware, in negotiations of this kind it is a very common practice for the two parties, the buyer and the seller, to hold preliminary discussions to determine whether there is any serious interest on either side to complete a deal. If there is, the seller agrees to provide detailed and confidential information to the buyer on the nature, the status and the future

prospects of the business.

I should emphasize that this information is normally kept highly confidential and is not divulged to anyone outside the company for competitive reasons. In exchange for access to that information, the buyer undertakes to sign what is referred to as a confidentiality agreement. That is what the Ontario Energy Corporation has done, and the corporation is still bound by that agreement.

The agreement stipulates, and I am sure this is no surprise to anyone in the House who understands this type of negotiation, that the buyer will not divulge information gained about Suncor as a result of access to its files and through discussions with company officials. I repeat that such agreements are commonplace and are a commonsense means of protecting the interests of the seller.

8:40 p.m.

I should point out, as I will point out again during the course of these remarks, that our commitment is to Canadianization. There are more steps to be taken. There are other buyers to be attracted. This particular undertaking is essential to accomplish those goals of Canadianization about which I assume we agree. There are other buyers—

Mr. Martel: I don't want the other buyers. Take the other buyers.

The Acting Speaker: Order.

Hon. Mr. Welch: There are other buyers, yes. Interjections.

Hon. Mr. Welch: I should add that it is in the interest of the buyer also that this information not be prematurely released because the buyer, if he buys, assumes an ownership interest and thus also wants to preserve his competitive edge.

Mr. J. A. Reed: Then why did the minister announce it?

Hon. Mr. Welch: We talked about that in question period today.

Mr. J. A. Reed: Yes, we did.

Hon. Mr. Welch: My answer stands from question period today.

Mr. J. A. Reed: It wasn't much of an answer.

Hon. Mr. Welch: It happened to be factual.

Mr. J. A. Reed: That's not our information.

Hon. Mr. Welch: Obviously there is something wrong with the member's information. Let me tell him, I have checked all that out since question period.

Mr. Wildman: We don't have the information because you won't give it to us.

Hon. Mr. Welch: As the member for Algoma (Mr. Wildman) will know, in the negotiations with Suncor, the Ontario Energy Corporation signed a confidentiality agreement and, as a result, gained access to the Suncor data room. The data room is where the buyer can ask for confidential material to be assembled, including financial projections.

In addition, the buyer can, and in the case of the Ontario Energy Corporation did, receive presentations on Suncor's strategic plans. The McLeod Young Weir valuation report and the Price Waterhouse critique of that report contain information that was received in confidence from Suncor.

To understand the critical importance of maintaining confidentiality of valuation reports, can I, with your permission, Mr. Speaker, take a few moments to explain the way in which valuations of this kind are usually done?

Mr. Wildman: Dispense.

Hon. Mr. Welch: Are the members not interested in this information? What is all this debate about if the members do not want to know? Let it go on the record that the third party does not want to know. A lot of little people are going to be hurt because the members are putting on the charade of wanting to know when they really do not want to.

Mr. Cassidy: He means abridge, not dispense.

The Acting Speaker: The minister has the floor and is speaking to the motion.

Hon. Mr. Welch: With your encouragement, Mr. Speaker, may I go on?

The Acting Speaker: Speaking to the motion.

Hon. Mr. Welch: To understand the critical importance of maintaining confidentiality of valuation reports, can I take a few moments to explain the way in which valuations of this kind are usually done?

Historical information on production, reserves and financial results are useful as a starting point in reviewing the performance of a company but are not usually very helpful, I am told, in arriving at a true economic or market value of the assets of a company.

The techniques commonly used in such valuations depend on the available information, the characteristics of the investment or business and an assessment of the most appropriate valuation technique in the circumstance.

In other words, we rely on the experience and

the expertise of professionals in the field of business evaluations to exercise judgement on the analysis and interpretation of the data. Much of this data involves future—and I underline "future," because that has to be a very key consideration in the debate that has been going on in this House quite properly for a number of hours—future estimates of such elements as prices, costs, capital expenditures, production, land values, earnings and choice of an appropriate discount rate to bring future cash flows back to a present value.

Mr. Kerrio: Why do we have to clean up their pollution? They're the biggest polluters in Alberta.

Hon. Mr. Welch: It is interesting the member should raise that point, because my good friend the Liberal House leader brought that up a couple of weeks ago. If the member would read the report Still Waters, which was made by the House of Commons, he would find that, as far as this company is concerned, it is obeying the law in the jurisdiction where it is located.

Strangely enough, that is what he would find if he really read all the paragraphs. We would not be associated with any corporation that was not obeying the letter of the law and the spirit of the law, and the report goes on to talk about that.

Mr. Kerrio: Not true.

Hon. Mr. Welch: Oh, wait a minute. I suggest to the member that he has not read the report because, if he had read the full paragraph, he would not say that. I ask all the members, if they have not read it yet, to read it. Take it home tonight. It is great reading, because that paragraph would suggest that this company is complying with all of the regulations of the province of Alberta, and they are very strict regulations. We would want it to be kept that way, would we not?

Mr. Kerrio: Now that we are done with the grandstanding, because you people do not understand the question—

The Acting Speaker: A point of order, please.

Mr. Kerrio: I ask the minister, with due respect, Mr. Speaker, a very important question. Are they the biggest—

The Acting Speaker: Honourable member, is this a point of order?

Mr. Kerrio: Yes.

The Acting Speaker: Please get to your point of order.

Mr. Kerrio: Yes. He made a very serious statement.

The Acting Speaker: It is not question period.

Mr. Kerrio: I ask the question.

The Acting Speaker: Your point of order, please.

Mr. Kerrio: I want to put the question, Mr. Speaker.

The Acting Speaker: No, you cannot put the question.

Mr. Kerrio: Well, it is not a question.

The Acting Speaker: Mr. Kerrio, I would like to hear the point of order.

Mr. Kerrio: My point of order—

The Acting Speaker: Your point of order now.

Mr. Kerrio: I cannot put it with all the interjections.

If I have the ear of the House, the point that I want to make and that the minister is questioning me about is that I have stated—and I want him to correct me if I am wrong on my point of order—that the company we have bought into is the single largest polluter in Alberta. I want him to question that if I am wrong.

The Acting Speaker: That is not a point of order. The Minister of Energy has the floor, and I ask the House to be more attentive.

Hon. Mr. Welch: Mr. Speaker—

Mr. Kerrio: Answer my question. Are they the single largest polluter in Alberta?

The Acting Speaker: It is not question period. Order, the minister has the floor.

Hon. Mr. Welch: Mr. Speaker, you will understand that we have a very special relationship, since the honourable member and I are neighbours. The point that was being made was that if you really go into the report to which reference was made, it is quite clear that they go on to talk in terms of wind velocities and a number of very important points, and they point out that this company is within and complying with the requirements of Alberta. They are obeying the letter and the spirit of the law. Is that not important? I ask the honourable member, is that not important? Even he obeys the law.

Mr. Kerrio: Are they the single largest polluter or are they not? He hasn't answered the question. They are the largest single polluter in Alberta and he knows it.

The Deputy Speaker: Order, please. The member for Niagara Falls (Mr. Kerrio); I have

been listening on the squawk box, and you have been very inattentive. The minister has the floor.

Hon. Mr. Welch: Mr. Speaker, I had intended to interrupt this presentation at this point to refer to an interjection by my good friend, my critic, the member for Halton-Burlington (Mr. J. A. Reed), who asked why we had to make this disclosure, why I had to make the announcement, making some reference to the answer which I gave today.

I was questioned by the Leader of the Opposition on giving the reason for making the announcement on October 13, rather than waiting for the final agreement—this was the point to which the honourable member was making some reference. In other words, the Leader of the Opposition called into question why it was necessary to make the announcement on October 13. What were all the rules and the regulations which required that particular announcement to be made at that time? That is what he said, if I am being fair in paraphrasing the exchange we had this afternoon.

8:50 p.m.

There happened to be three separate but related requirements for the Sun company in the United States to disclose this transaction as soon as the agreement had been reached; that is, the initial signing.

1. The timely disclosure rules of the New York Stock Exchange, section A.2, part 1, which are incorporated into the listing agreements of a company whose securities are traded on the exchange. These rules require disclosure of any material information having an impact on the prices of listed shares. Failure to comply could result in delisting the shares.

2. The Securities and Exchange Commission Act, section 10(b)(v), which is a broad administrative rule to prevent misleading statements, omissions of statements or other intent to defraud in connection with the purchase or sale of any securities. The application of this rule has generated considerable litigation on prompt disclosure by listed companies.

3. SEC Act mandatory reporting requirements, form 8-K. On completion of a transaction, there are two categories relevant to this issue:

(a) item 2 imposes filing requirements on the acquisition or disposition of a significant amount of assets, which has been deemed to include a transaction exceeding 10 per cent of total company assets. This sale of 25 per cent of

Suncor shares is not covered by this provision since it represents only about five per cent of Sun's total assets;

(b) item 5 covers other materially important events, and Sun expects to file a form 8-K after closing the final agreements, with requirement to file within 45 days after closing.

In summary, while there is no requirement on Sun to file a form 8-K with the Securities and Exchange Commission until final closing of the transaction, there were other stock exchange obligations on Sun to make prompt disclosure of such a materially important transaction as soon as agreement in principle had been reached.

I think it is important, and no doubt the member for Halton-Burlington will telephone the Leader of the Opposition (Mr. Smith), who is comfortable at home, and give him that particular information.

Mr. Kerrio: Are there any Tories over there? Are there any Tories left at all?

The Deputy Speaker: Order. The member for Halton-Burlington on a point of privilege. Will the member for Niagara Falls allow his colleague a point of privilege?

Mr. J. A. Reed: On a point of order, Mr. Speaker: The honourable minister has stated that there essentially is no obligation until after the event because of the percentage of assets involved here being less than 10 per cent of the assets of Sun Oil. That confirms a statement from the office of the chief counsel, international division, corporate finance, which says: "There is no obligation"—

Hon. Mr. Welch: No. I did not say that.

The Deputy Speaker: Order, please. Order. I want to bring to the member's attention that I am having difficulty, under standing orders, finding out which particular section his point of order falls under. Quite frankly, I cannot find that section. As a result, I ask him to resume his seat, and we will allow the minister to continue with the debate.

Mr. J. A. Reed: I will change it to a point of privilege.

The Deputy Speaker: Well, try on a point of privilege.

Mr. J. A. Reed: Mr. Speaker, the honourable minister has tried to make an excuse for making the announcement when he did, on the basis of US securities regulations. The office of the chief counsel, international division, corporate finance, says: "There is no obligation on the government of Ontario—"

The Deputy Speaker: Order. I want to bring to the member's attention that I have difficulty finding the point of privilege in his particular point of privilege. I am sorry I do not. I ask him to resume his seat, and we will allow the Minister of Energy to continue with the debate.

Mr. J. A. Reed: With respect—

The Deputy Speaker: There is no respect required. We are asking him to resume his seat. I want to bring to the member's attention that I have asked officially the first time. Will he please—thank you very much. The Minister of Energy.

Hon. Mr. Welch: Mr. Speaker, if I could go back to the—

Interjections.

The Deputy Speaker: Continuing with the debate.

Hon. Mr. Welch: The evaluation, if I could go back to that particular question, also normally involves, and did involve in the case of our evaluation of Suncor, interviews with senior management of Sun and Suncor, and independent technical opinions on key areas of operation as well as a detailed interpretation of recent market acquisitions by comparable companies.

It is clear that a company's competitive position would be severely undermined if others were able to have access to its market analysis, strategic plans, future financial projections and, perhaps most important, the views and outlook of the management of the company with respect to its future goals and objectives. That information is not contained in annual reports or in 10-K forms.

At this point, in the spirit of being helpful, I wonder if I might turn to the matter of the rate of return expected from this investment, because I think people quite rightly have been raising questions along this line during question period.

Mr. Nixon: On a point of order, Mr. Speaker: So there is no misunderstanding on the importance of the acquisition of Suncor, and particularly its position as a major polluter in Alberta, I just want to bring to your attention and to the attention of the minister, who obviously is ill informed in this connection, the report entitled *Still Waters* published by the Parliament of Canada.

The Deputy Speaker: I want to bring to the member's attention that I am having difficulty with his point of order.

Mr. Nixon: On page 73 it says that the two tar sand plants at Fort McMurray emit about 20 per

cent—

The Deputy Speaker: Order, please. I am having difficulty with your point of order under standing orders. How, under the standing orders, has your point of order been brought?

Mr. Nixon: I was just trying to explain to you, Mr. Speaker, and to the minister when, in his comments a few moments ago, he was trying to persuade you and the other members of the House that this was not a major polluter, not something that should concern us. But the government of Canada and the Parliament of Canada have said that the Suncor synthetic oil plant is the largest point source for SO in the province—

The Deputy Speaker: Order. The point may or may not be well taken. The problem is that I have difficulty under the standing orders in accepting your point of order, although you have gotten it in already.

Hon. Mr. Welch: Mr. Speaker, I think there is a difference between that particular quotation and the expression that was used by the member for Niagara Falls. My point is simply that this particular company is complying with the law and the requirements of Alberta. It says so in that report.

Mr. Kerrio: On a point of order, Mr. Speaker.

Mr. Nixon: On a point of order, Mr. Speaker: It does not say anywhere there—

The Deputy Speaker: The member for Brant-Oxford-Norfolk, your colleague has a point of order.

Mr. Kerrio: On a point of order, Mr. Speaker: I hope you might wait until I have finished making my point of order before you decide that I am out of order, which you have done now on three different occasions.

The Deputy Speaker: That is right, but I have a serious problem with that.

Mr. Kerrio: The point of order I was attempting to make, during which I was interrupted two or three times, was that the company that—

The Deputy Speaker: Order, please. I will listen to you if you begin by stating the specific section under the standing orders your point of order refers to.

Mr. Kerrio: Mr. Speaker, instead of dictating what the specific area of the standing orders is, I would like to say I am standing here to correct the record. The question I raised with the minister was whether he would not agree that it is the single largest point polluter in that province. Whether or not it is within the limits

of Alberta, I ask him to tell me if they are the single largest point polluter.

The Deputy Speaker: Order. Minister of Energy, never mind responding to his inquiries. Carry on, please.

9 p.m.

Hon. Mr. Welch: Mr. Speaker, I will not respond to his inquiries. I will follow your instructions because, whatever is in the report, neither the member for Niagara Falls nor I can change. I invite members of the House to read the report. The report stands on its own.

It is clear that a company's competitive position—

Mr. Kerrio: Are they the single largest point polluter or are they not?

Hon. Mr. Welch: I cannot change the report. Whatever is in the report is there to be read.

Mr. Kerrio: Are they the single largest point polluter or are they not?

An hon. member: It has nothing to do with it. Throw him out.

Mr. Swart: Mr. Speaker, I rise on a legitimate point of order. The point of order I rise on is that of requesting you to enforce the rules of this House more closely. We have Boy Scouts in the gallery. In the circus that is evident here tonight it seems that the Liberals insist on being the clowns.

The Deputy Speaker: Your point of order is well taken. I remind all members that the chair can only do so much. Every member has the obligation to try to live up to his personal responsibilities under the standing orders.

Mr. Kerrio: On that point, Mr. Speaker: The member for Welland-Thorold is certainly entitled to speak to whatever he thinks is a point of order. And I can understand it if that member is an expert on clowns, because that whole party is a bunch of clowns.

The Deputy Speaker: Order, order. Member for Niagara Falls, I think I have been extremely patient with you. Let me inform you that I am asking you—now you have taken your seat. I appreciate that. That is once.

Hon. Mr. Welch: Mr. Speaker, I would like to carry on now, because I am sure the Young Progressive Conservatives of Scarborough East want to hear; I wonder if, at least for those young people, we might turn to the matter of the rate of return expected from this investment.

We have said that we do not expect a minimum return of about 15 per cent, but we do, of course, anticipate that the return will be

higher. We are purchasing an equity interest, and I think it is important that we get this—

Mr. Martel: Could the minister repeat that? I did not get it.

Hon. Mr. Welch: The minimum return will be 15 per cent, but we are considering the return to be even higher. We are purchasing—

Mr. Cassidy: Is that a dividend yield?

Hon. Mr. Welch: I am going on to explain that.

We are purchasing an equity interest in a well-established and expanding oil and gas company, which we believe to be well positioned to take advantage of existing and new business opportunities in the years ahead. Our return on investment will, of course, accrue not only from profits distributed from dividends but also from the increased value of the company, from the reinvestment of retained earnings and, in addition to that, from appreciation of the company's assets such as oil and gas land holdings.

As far as cash flow is concerned, the dividends to be received by Ontario will depend on future earnings and the ratio of dividends to be paid out on a regular basis. The normal dividend policy in comparable Canadian integrated oil companies is in the range of 20 to 40 per cent, and this will be an item for further negotiations with the other shareholder, which is the Sun Oil Company Limited.

Finally on this topic, let me deal with the interest costs. Since there is a need to distinguish between the 15 per cent and the 17 per cent figures that are being discussed, the final financing arrangements are still under review, as I have already said, but we are contemplating the financing of 50 per cent of the purchase by way of a loan from the seller.

If we were to assume for the purpose of illustration in this contribution to this debate that the interest rate on closing is agreed to be 17 per cent over 10 years—and I stress that it has not yet been set—then on the basis of our assumptions about the future earnings of this company and its dividend policy, we expect the dividends to the Ontario Energy Corporation will cover the interest costs of the outstanding debt over the 10-year period.

I can understand the natural inclination of members of the opposition to want to see the detailed valuation report, and I think that should be on the record. The fact is that common sense and prudence suggest it really is not a practical course of action at this time.

What has been tabled, however, is a summary of the conclusions of these two companies clearly indicating that the price to be paid for 25 per cent of Suncor is within the range of value established by these two companies. That is important.

Also, we should not forget that a primary objective of this purchase is to facilitate the Canadianization of Suncor. As we know, the Sun company has undertaken to sell an additional 26 per cent of its shares so that a majority of its shares and control of Suncor will be in the hands of Canadians. That is not a bad objective. That is very important to understand. I know members agree with that. I am confident the members for Niagara Falls (Mr. Kerrio), Wentworth North (Mr. Cunningham) and Halton-Burlington (Mr. J. A. Reed) surely would want to join in the chorus. I am confident it is an objective that is shared by the majority of Canadians—the Canadianization of oil and gas in this country.

It would be important if the premature disclosure of confidential and competitive information, as requested by the members opposite, undermined the ability—may I just make this point because we are still—

Interjections.

The Deputy Speaker: Order.

Hon. Mr. Welch: Please keep in mind that the Canadianization process is still under way. It would be very unfortunate if we undermined the ability of the Sun company to sell additional shares to Canadians. Surely prudence would dictate that we should guard against that eventuality. Within the next few weeks the Sun company expects to be entering into a new round of negotiations with other Canadian buyers in order to sell the remaining 26 per cent of its shares. I would remind members these are for sale.

Sun will be asking those buyers to enter into the same kind of confidential agreement as the Ontario Energy Corporation has and it would be ironic, it would be counterproductive to Sun's efforts, if the information it feels other buyers should hold in confidence was tabled in the Ontario Legislature before those negotiations were completed.

As members know, a number of independent financial analysts and others have commented very favourably on this deal and perhaps it would be useful to recall some of those comments. I am sure many members have heard or read them. John Dawe, the business editor of

Global TV, had this to say about the transaction: "I think the federal government can learn a thing or two from the Ontario government when it comes to investments. The purchase of 25 per cent of the Canadian arm of the Sun Oil company will cost Ontario \$650 million, but according to oil experts that is only about one-third of the replacement value of the assets that the investment represents."

Another analyst said Ontario paid less for Suncor's cash flow than Dome Petroleum Limited paid for the cash flow of Hudson's Bay Oil and Gas Company Limited—in fact, almost half as much. Richard Hallisey, analyst with First Marathon Securities, had this to say, "Ontario has struck a good bargain. It would cost about \$6 billion to build an identical oil sands plant today."

9:10 p.m.

John Stevens, analyst with Brown, Baldwin, Nisker Limited, said, "It is a very profitable plant and it has many years of production left." Denis Mote, oil analyst, said, "Ontario's price of \$50 a share for Suncor was a good one compared with some of the prices paid by free enterprise companies that have been scrambling for foreign companies. Dome paid a price equivalent to 11 times the cash generated by Hudson's Bay while Ontario paid an equivalent of six times Suncor's cash."

Ted Schrecker, an independent energy consultant in Ottawa, said, "In the long term anything that increases the Canadianization of the oil industry is going to have an effect in terms of increasing Canadian control over decisions made within the industry, so in the long run it is definitely a good deal for consumers."

Listen to this from our brothers and sisters in Alberta. The Treasurer of Alberta said, "Ontario has made a good move by encouraging Canadian ownership."

[Applause.]

Mr. Samis: You didn't have to turn around to get applause, you know.

Hon. Mr. Welch: Just in case I forget it—I know my honourable friend the member for Cornwall (Mr. Samis) would not want me to forget this part of this quotation from that great Canadian, the Treasurer of Alberta—

Mr. Samis: Oh, yes, how about Darcy McKeough?

Hon. Mr. Welch: Listen to what this man said, "It is feasible—

Interjections.

Mr. Speaker: Order, order.

Hon. Mr. Welch: Mr. Speaker, you would be interested to know—

Mr. Cassidy: Mr. Speaker, would you simply ask the Minister of Energy why, if this is such a good deal, they don't take 51 per cent all at once?

Mr. Speaker: Order.

Hon. Mr. Welch: Mr. Speaker, I know you would want to know what Lou Hyndman, the Treasurer of Alberta, said: "It is reasonable for the energy consuming provinces to have a say." Isn't that very significant?

Let me quote what the federal Liberal Minister of Energy, Mines and Resources had to say about this—

Mr. Cassidy: You didn't get a window. You got a porthole.

Mr. Speaker: Order.

Mr. T. P. Reid: Mr. Speaker, I wonder if the minister would submit to a question. Will he read some of the quotations of his federal leader? What does Joe Clark have to say?

Mr. Speaker: Order, order. The member for Rainy River will resume his seat.

Hon. Mr. Welch: The federal energy minister, Marc Lalonde, said this was a welcome development, praised the Ontario purchase and said he felt there should be provincial involvement in the Canadianization process outlined in the national energy program.

Mr. Martel: How does it feel to be a Socialist?

Mr. Speaker: Order. The Minister of Energy has the floor.

Mr. Martel: Welcome to the club. Come on over. We want to help you here.

Hon. Mr. Welch: How much does it cost?

Mr. J. A. Reed: You'll have to learn Solidarity Forever.

Hon. Mr. Welch: Let's sing Solidarity Forever.

Mr. Speaker: Order. The Minister of Energy has the floor.

Hon. Mr. Welch: Mr. Speaker, the opposition has stated its concerns quite clearly and quite forcefully. That happens to be its role and I respect that role, but there are other realities in this debate.

Interjections.

Mr. Speaker: Order. The Minister of Energy has the floor.

Hon. Mr. Welch: The business of government must proceed in an orderly manner. While dissent is the spice of democracy, decisions have to be taken at some time. It is clear from

the record that the House has considerable information at its disposal on this transaction. Moreover, it is clear there are legitimate reasons why it is not appropriate to provide the kind of information being sought.

Mr. Epp: On a point of privilege, Mr. Speaker: The minister is deliberately misleading the House by telling us we have a lot of information available when in fact he has not—

Mr. Speaker: The member will please withdraw his remarks.

Mr. Epp: Flirting with the truth, then.

Mr. Speaker: Withdraw.

Mr. Epp: I will withdraw them. It is at variance with the facts anyway.

Hon. Mr. Welch: It is clear from the record that the House has considerable information at its disposal on this transaction. Moreover, it is clear there are legitimate reasons why it is not appropriate to provide the kind of information being sought by the opposition at this time. Clearly, it would not be in the interests of Suncor, Sun Oil Company, the Ontario public or Canadians generally to have this additional information tabled at this time.

It is with this in mind that I would urge the House to turn its attention now to the basic issue that is before us—namely to pass interim supply so that urgent government business can proceed without unnecessary and harmful interruption. It is absolutely important that we recognize the implications of what we are doing here this evening. Regardless of what people's feelings may be with respect to all these big, broad philosophical issues—

Mr. Nixon: You are not thinking of cutting off the debate. You are not thinking of closure.

Hon. Mr. Welch: —we have school boards, municipalities, children's aid societies, recipients of payments from the Ontario hospital insurance plan, and thousands of civil servants who are waiting for their payday on Thursday. It would be absolutely unthinkable for us to be a party to denying those people their pay on Thursday.

I want to share something with the House personally and as deeply as I feel it. As much as I regret this predicament, I could not sleep tonight without doing all I can to make sure mental retardation programs and everyday ordinary people who are depending on their pay on Thursday, get it, irrespective of the partisan posturing going on on the other side of this House.

Why should mental retardation programs and employees who have performed their duties be held hostage in view of the fact we have provided this information? Let us get on with the business of looking after them.

Mr. Speaker, I move that this question be now put.

9:20 p.m.

Mr. Speaker: Order, order.

Mr. Cassidy: On a point of order, Mr. Speaker.

Mr. Speaker: Order.

Mr. Di Santo: Arrogant bastards.

Interjections.

Mr. Speaker: Order. The member for Downsview, I am sorry I did not hear that.

Mr. Di Santo: I withdraw that, Mr. Speaker.

Mr. Speaker: Thank you.

Mr. Cassidy: On a point of order, Mr. Speaker.

Mr. Speaker: Order. The question before the House is that this question be now put.

Some hon. members: No.

Mr. Speaker: Order.

Mr. Cassidy: Mr. Speaker, on a point of order that I believe is in order.

Mr. Nixon: On a point of order, Mr. Speaker.

Interjections.

Mr. Speaker: Order. The question before the House—

Mr. Cassidy: Mr. Speaker, before you put the question I would ask you to listen to my point of order: rule 36 of the Legislature.

Interjections.

Mr. Speaker: Order.

Mr. Nixon: Mr. Speaker, if you are going to hear a point of order, I was on my feet as soon as anyone else. The official opposition has the responsibility of advising you, and I suggest to you that in a position of this importance you should seek advice before you accept such a motion, which is patently out of order.

Mr. Speaker: I have indeed, and I would suggest, with all respect—

Mr. Roy: You are not going to listen to the opposition. Is that what you are saying?

Mr. Speaker: No, that is not what I am saying. Interjections.

Mr. Speaker: Order, order. The question before the House is that this question be now put.

Mr. Nixon: On a point of order.

Mr. Speaker: There is no point of order. There is—

Interjections.

Mr. Speaker: Order, order.

Mr. Nixon: It is standing order 36.

Mr. Speaker: I understand standing order 36.

An hon. member: Then read it.

Mr. Speaker: I shall indeed.

Interjections.

Mr. Speaker: Order. The member for Ottawa Centre will please resume his chair.

Interjections.

Mr. Speaker: Order. You are out of order. The member for Ottawa Centre will please resume his seat.

Mr. Cassidy: I have a point of order that I wish to put.

Mr. Speaker: Order. I must remind the member for Ottawa Centre that he is out of order and if he does not resume his seat I shall name him.

Mr. Cassidy: Mr. Speaker—

Mr. Speaker: The member for Ottawa Centre is so named and shall leave this sitting. Sergeant at Arms, will you escort the member out, please?

Mr. Cassidy was escorted from the chamber by the Sergeant at Arms.

Mr. Speaker: Order.

Mr. Nixon: You should make room for a little advice, Mr. Speaker.

Mr. Speaker: I have indeed.

Mr. Nixon: You have every right to make a ruling but not until you hear the points of order. It states clearly in the book of rules here—

Mr. Speaker: Order. When the Speaker is on his feet, you shall resume your chair.

Mr. Nixon: I am fully prepared to do that as long as you—

Mr. Speaker: Well, please do.

Mr. Nixon: —are sensible enough at least to hear the views of the opposition—

Mr. Speaker: I shall assure you that the Speaker is sensible enough. Please resume—

Mr. Nixon: It is incredible that you would undertake such a procedure. It is clearly out of order.

Mr. Speaker: Order.

Mr. Nixon: This is the first time this has ever happened. Why can't you listen to the arguments before you make a ruling? You're absolutely impossible.

Mr. Speaker: The member for Brant-Oxford-Norfolk will please resume his seat.

Mr. Nixon: I will not until you give us a point of order. You must hear the points of order before you make a ruling. That's all you've got to do: hear the points of order and then make a ruling.

Mr. Speaker: I would direct the member, with all respect, to standing order 36.

Mr. Nixon: I have standing order 36.

Mr. Speaker: I am not going to debate it. It is quite clear. Will the member for Brant-Oxford-Norfolk please resume his seat.

Mr. Nixon: You're not even prepared to listen to an alternative.

Mr. Speaker: There is no alternative.

Mr. Nixon: There is, sir.

Mr. Speaker: Order.

Interjections.

Mr. Nixon: Under the circumstances, I have no alternative but to tell you, sir, that there is an alternative which I will read to you.

Mr. Speaker: Order. You are out of order. You leave me no alternative but to name you and ask you to withdraw for the balance of the sitting.

Mr. T. P. Reid: Why don't you name all of us, then?

Mr. Smith: The Speaker is incompetent.

Interjections.

Mr. Speaker: That is a matter of opinion, and I caution you.

Mr. Smith: The member for Brant-Oxford-Norfolk is steeped in the traditions of this House, and you are not.

Interjections.

Mr. Kerrio: Can you not make a point of order any more in this House?

Mr. Speaker: Order. I realize what you are saying, and I have all kinds of sympathy for what you are doing.

Mr. Roy: You're not showing it.

Mr. Smith: Hear our points.

Mr. Speaker: I have indeed. There is no precedent—

Mr. Smith: I am calling a point of order, Mr. Speaker.

Mr. Speaker: Order. There is no precedent for the ruling that is being made.

Mr. Smith: On a point of order, Mr. Speaker.

Mr. Speaker suspended the proceedings of the House at 9:30 p.m.

9:53 p.m.

Mr. Speaker: After consultation with my advisers and the House leaders, I am persuaded that the leader of the New Democratic Party (Mr. Cassidy) and the House leader of the official opposition (Mr. Nixon) shall be unnamed and shall be allowed to put their points of order forward.

Mr. Stokes: Mr. Speaker, I would like you to give me an interpretation of rule 36, which states: "The previous question, which may be moved without notice or a seconder, until it is decided shall preclude all amendments of the main question, and shall be in the following words: 'That this question be now put.' Unless it appears to the chair that such motion is an abuse of the standing orders of the House or an infringement of the rights of the minority, the question shall be put forthwith and decided without amendment or debate."

Is it your ruling that the member for Brant-Oxford-Norfolk (Mr. Nixon), having risen in his place, and the member for Ottawa Centre (Mr. Cassidy), having risen in his place, that constitutes a debate? If it does not constitute a debate, on what grounds can you recognize any other member rather than for the express purpose of putting the question as is called for under the standing order? What possible basis could there be for you to recognize an honourable member without placing the previous question, as called for in article 36? I would like your interpretation of that, please.

Mr. Speaker: I thank the member for Lake Nipigon for raising that point. I do not have any difficulty with it, and I find it absolutely clear in its intent. However, in order to move on with the business of the House, by persuasion at the request of the members and, as I said before, because there is no precedent for what we are doing tonight, I am persuaded by the House leaders of both the Liberal and the New Democratic parties to listen to the points of order, although they are not provided for. By that common agreement, by that compromise if you will, I have unnamed the member for Ottawa Centre and the member for Brant-Oxford-Norfolk to hear what they feel are legitimate points of order.

Mr. McClellan: But the member for Brant-Oxford-Norfolk wasn't named.

Mr. Speaker: Indeed he was. The member for Brant-Oxford-Norfolk has the floor.

Mr. Nixon: Mr. Speaker, we are debating a motion for interim supply. The provisions of the motion have been amended. We have proposed

an amendment from the official opposition and a second amendment is before the House from the New Democratic Party.

I submit to you, Mr. Speaker, it is this particular circumstance that indicates rule 36 is not clear in its provisions. Under the provisions of our standing orders, it is your requirement that we base our decision on not only the usages and precedents of this Legislature but also parliamentary tradition.

When the government House leader made his motion that the motion be now put—unseconded, not required by the rules—he was putting a motion that would be predicated on the main motion, whereas we in this House are debating an amendment to the amendment.

I want to bring your attention, Mr. Speaker, to the provisions in the eighteenth edition of Erskine May, on page 372, which state as follows, "The previous question has been moved upon various stages of a bill but cannot be moved upon an amendment." It is quite clear that the House is debating an amendment to the original resolution, and the rules of parliamentary practice established in the United Kingdom and elsewhere say that it cannot be moved upon an amendment.

10 p.m.

In looking at the footnotes of that rule, it indicated a clear precedent in the annals of the Parliament at Westminster, and it is an old one but clearly understandable. It is taken from the British Hansard of July 10, 1872. On page 926, Colonel Stuart Knox moved the previous question, I submit to you, sir, just as the government House leader did a few moments ago. Mr. Speaker said that the motion just proposed was not in order and could not be made before the amendment actually before the House had been disposed of.

So your argument, and the argument made by the former Speaker, that all of these motions must be deemed to be in order and put without further comment surely does not make sense when there is at least a reasonable precedent indicating that a similar motion was thrown out by one of your illustrious predecessors in the Parliament of the United Kingdom because he found that it was not in order.

When the motion was put, I rose immediately to bring this to your attention. At the time you chose not to listen to the point of order. I am very grateful that you have reconsidered, and I ask you, sir, to think very clearly that this precedent parallels specifically what has hap-

pened in this House. This precedent finds the motion out of order, and I suggest to you, sir, that you should also find it out of order.

Mr. Speaker: The member for Ottawa Centre on the same point of order.

Mr. Cassidy: Thank you, Mr. Speaker. I wished to rise some 25 minutes ago on a different but related point of order, which relates to the interpretation of the chair of standing order 36, a standing order that is in this book which came into force a few years ago but which has not been invoked in this Legislature for probably well over half a century. There is no person in this Legislature today who knows when closure was previously put in this Legislature.

I regretted the fact very deeply that you refused to listen to the point of order, because it is my understanding that a point of order is in order at all times, although it is obviously open to the chair to accept or reject points of order when they are put.

The point I was raising, and I consulted the standing orders when it became apparent that the government intended to consider closure, was the following: Standing order 36, after stating the wording for the closure motion, states, "Unless it appears to the chair that such motion is an abuse of the standing orders of the House or an infringement of the rights of the minority, the question shall be put forthwith and decided without amendment or debate."

In other words, the question is to be put forthwith and decided without amendment or debate unless the chair believes that the motion is an abuse of the standing orders of the House or an infringement of the rights of the minority.

The point of order I wished to raise was that in my opinion as a member of this House the closure motion that was put in this House this evening is not only an abuse of the standing orders of this House but also an infringement of the rights of the minority; that is, the opposition parties.

Last Friday, the government asked us in 90 minutes to pass some \$7 billion worth of expenditure of interim supply to take it through to the end of the year. Then they objected to the fact that there was a debate. Alternative means were available to the government to get interim supply. There is an amendment before the House which would give them interim supply for the coming month while the question of the disclosure of information which provoked the debate could be settled.

Given the traditions of our Canadian parlia-

ments, both the House of Commons and the provincial legislatures, in which closure has not been used, is never resorted to and is an unacceptable tool in the hands of the government, particularly a majority government, it is an abuse of the minority in this Legislature for the government to come in now after only two and a half days of debate and invoke closure in this particular case.

The abuse of the standing orders of the House is quite simply that rule 26 says, "After any policy statement the minister shall table a compendium of background information." A great deal of debate took place on that particular subject, but I continue to believe it is an abuse of the standing orders of this House that on the question of the \$650-million purchase of 25 per cent of Suncor the government refused to provide an adequate compendium in line with the rules that are in the standing orders.

I therefore felt, Mr. Speaker, that I had no alternative but to seek to bring those questions to your attention. I ask you, as an independent servant of all parties in this Legislature, to rule that on those two grounds this is an improper motion of closure and that it should not now be put.

Hon. Mr. Welch: Mr. Speaker, if I may be permitted some comments on the points to which you have been asked to give consideration, I draw attention to the precise wording of standing order 36, if I may repeat it for the purpose of clarification: "The previous question, which may be moved without notice or a seconder, until it is decided"—may I draw the Speaker's attention to the following words?—"shall preclude all amendment of the main question."

That wording, as precise as it is, addresses itself to the point to which my honourable friend the House leader of the official opposition has drawn attention, that we are fairly precise in the wording of that rule: all amendment of the main question is precluded and therefore the question is directed to the main question.

Mr. Smith: To me, the main question has never even been debated.

Hon. Mr. Welch: The main question was introduced as the reason for the whole debate.

Mr. Smith: We have been debating the amendments until now.

Hon. Mr. Welch: Whatever we may have been debating, we have the main question and we have some amendments, but the rule is fairly specific about which question the particular question before the House now is directed to.

Without attempting to be provocative, and I say this quite seriously, this particular rule was invoked at an evening session in this House in 1979, to my recollection, by the member for Port Arthur (Mr. Foulds) on two or three occasions. I think we should have the record quite clear with respect to that matter.

Mr. Cassidy: On a point of order, Mr. Speaker.

Mr. Speaker: The same point of order?

Mr. Cassidy: The point of order that has been raised by the minister, to which I have had no—

Mr. Speaker: That was the previous point of order, with all respect.

Mr. Cassidy: With respect, Mr. Speaker, it was not.

Mr. Speaker: All right. I shall hear what you are going to say.

Mr. Cassidy: Thank you very much, Mr. Speaker. According to Beauchesne, paragraph 334(5), it says quite clearly that a motion for closure applies not only to the main motion under debate but also to such amendments as may be moved to that motion.

Without going into all the ramifications of the section on closure in the British House, in Erskine May it is quite clear there that once a motion for closure, which is often used in the British House, has been moved and has been accepted by the House, then the consequential votes are taken. In other words, if it is an amendment that is under consideration, you can go on to other things; if a series of votes has to be taken, all of those votes, it appears, can be taken.

I am very disturbed at the suggestion by the Minister of Energy (Mr. Welch) that the government now also intends to seek to abuse the rules of this House in order that there will not even be a vote on the amendment I put forward, a constructive amendment that would allow the government to pay the civil servants and would allow supply to be voted without giving the government five months of supply in one go, in a vote in which the government members can stand up and be counted on that very useful kind of compromise.

I urge you to rule, as I believe is correct, that the main motion under consideration right now is the amendment I moved in this House at this time last evening, which would have shortened interim supply until the end of November.

Subsequent to that, without any further debate—as my understanding of the rules would be—we then move on to the amendments by the

Leader of the Opposition (Mr. Smith) and subsequently to the original motion, which came forward from the Treasurer (Mr. F. S. Miller). That would certainly be in accordance with our Canadian traditions as I have enunciated to you from Beauchesne.

10:10 p.m.

Mr. Speaker: I thank the member for Brant-Oxford-Norfolk and the member for Ottawa Centre for raising their individual points of order and reflecting what is quite clearly an uncharted course.

I would have to say in response to the member for Brant-Oxford-Norfolk, I am well aware of the point that he raised and to which he spoke. However, I would have to rule that the point of order is out of order, as suggested by my colleague the member for Lake Nipigon (Mr. Stokes), because, if we read standing order 36, and I would like to quote it:

“36. The previous question, which may be moved without notice or a seconder, until it is decided shall preclude all amendment of the main question, and shall be in the following words: ‘That this question be now put.’ Unless it appears to the chair that such motion is an abuse of the standing orders of the House or an infringement of the rights of the minority, the question shall be put forthwith and decided without amendment or debate. If the previous question is resolved in the affirmative, the original question shall be put forthwith and decided without amendment or debate.”

To me, that is quite clear in that it does refer to the original question.

Mr. Sargent: You are talking closure then.

Mr. Speaker: Order. I am talking about standing order 36. With all respect, I would have to find the point of order raised by the member for Brant-Oxford-Norfolk out of order.

In dealing with the question raised by the member—

Mr. Smith: I challenge your ruling, Mr. Speaker. Both Beauchesne and Erskine May are very clear on the matter, and I challenge your ruling.

10:25 p.m.

The House divided on the Speaker's ruling, which was upheld on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Brandt, Cousens, Cureatz, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Havrot, Hennessy,

Hodgson, Johnson, J. M., Jones, Kells, Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McNeil, Miller, F. S., Mitchell;

Piché, Pollock, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Williams, Wiseman, Yakabuski.

Nays

Boudria, Bradley, Bryden, Cassidy, Charlton, Cooke, Copps, Cunningham, Di Santo, Eakins, Edighoffer, Elston, Epp, Grande, Johnston, R. F., Kerrio, Laughren, MacDonald, Mackenzie, Mancini, Martel, McClellan, McGuigan, McKessock, Nixon, O'Neil, Reed, J. A., Reid, T. P., Riddell, Roy, Ruston, Samis, Sargent, Smith, Spensieri, Swart, Sweeney, Wildman, Wrye.

Ayes 61; nays 39.

10:30 p.m.

Mr. Speaker: In dealing with the second point of order, which the member for Ottawa Centre raised regarding the infringement of the rights of the minority, I would point out to all the honourable members that there have been 12 speakers on this motion—

Mr. Smith: No. On the amendment, not on the motion.

Hon. Mr. Sterling: We were not talking about any amendment.

Mr. Speaker: Order. Not including the Treasurer, there have been five Liberals, five members of the New Democratic Party and two members of the Progressive Conservative Party, and approximately 10 hours of debate. I find it very difficult to accept that there has been an infringement on the rights of the minority, and I would rule that point of order out of order.

Mr. Cassidy: Shame, Mr. Speaker. I cannot accept that, and I challenge your ruling.

Mr. Speaker: Order.

The House divided on the Speaker's ruling, which was upheld on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Brandt, Cousens, Cureatz, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Havrot, Henderson, Hennessy, Hodgson, Johnson, J. M. Jones, Kells, Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McNeil, Miller, F. S. Mitchell;

Piché, Pollock, Ramsay, Robinson, Rotenberg,

Runciman, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Williams, Wiseman, Yakabuski.

Nays

Boudria, Bradley, Bryden, Cassidy, Charlton, Cooke, Copps, Cunningham, Di Santo, Eakins, Edighoffer, Elston, Epp, Grande, Haggerty, Johnston, R. F., Kerrio, Laughren, MacDonald, Mackenzie, Mancini, Martel, McClellan, McGuigan, McKessock, Nixon, O'Neil, Reed, J. A., Reid, T. P., Riddell, Roy, Ruston, Samis, Sargent, Smith, Spensieri, Swart, Sweeney, Wildman, Wrye.

Ayes 62; nays 39.

The House divided on Mr. Welch's motion that the question be now put, which was agreed to on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Brandt, Cousens, Cureatz, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Havrot, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McNeil, Miller, F. S., Mitchell;

Piché, Pollock, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Williams, Wiseman, Yakabuski.

Nays

Boudria, Bradley, Bryden, Cassidy, Charlton, Cooke, Copps, Cunningham, Di Santo, Eakins, Edighoffer, Elston, Epp, Grande, Johnston, R. F., Kerrio, Laughren, MacDonald, Mackenzie, Mancini, Martel, McClellan, McGuigan, McKessock, Nixon, O'Neil, Philip; Reed, J. A., Reid, T. P., Riddell, Roy, Ruston, Samis, Sargent, Smith, Spensieri, Swart, Sweeney, Wildman, Wrye.

Ayes 61; nays 40.

10:40 p.m.

Mr. Cassidy: On a point of order, Mr. Speaker: It is my understanding that there are now two amendments to the original motion for supply and after they have been dealt with we then move to the original motion of supply. Perhaps the Speaker can explain what procedure will be taken on the three motions that are now before the House, because I believe the

original motion referred to in the bottom line of rule 36 would be the amendment that I put in this House last night.

Mr. Speaker: I think that matter has already been dealt with in the interpretation of rule 36, with all respect, and indeed was concurred in by the member for Lake Nipigon. It is quite clear that standing order 36 says: "The previous question, which may be moved without notice or a seconder, until it is decided shall preclude all amendment of the main question. . ."

Mr. Cassidy: Mr. Speaker, on the point of order: Rule 36 says at the end, "If the previous question is resolved in the affirmative," which has now happened, much to my regret, "the original question shall be put forthwith and decided without amendment or debate."

The original question that was being discussed in the House, and had been discussed since about 3:30 this afternoon, was the amendment that I put at 10:15 last night. I point out to you, Mr. Speaker, that if you rule otherwise, then you have now taken it a further step, because you are muzzling the opportunity and the right of the opposition to have amendments voted upon here in the Legislature. Will you rule on that?

Mr. Speaker: As I stated earlier, standing order 36 is quite clear, and notwithstanding the remarks made by the member for Ottawa Centre in referring to that last sentence in the standing order, it says, "If the previous question is resolved in the affirmative," which it was, "the original question shall be put forthwith and decided without amendment or debate." With all respect, the previous question has indeed been resolved in the affirmative. It is now time for the original question.

Mr. Cassidy: You are just a puppet in the hands of the government.

Mr. Speaker: You are showing, with all respect, a complete lack of understanding of the standing orders of this House.

The House divided on Mr. F. S. Miller's motion, which was agreed to on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Brandt, Cousens, Cureatz, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon,

Gregory, Grossman, Harris, Havrot, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McNeil, Miller, F. S., Mitchell;

Piché, Pollock, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Williams, Wiseman, Yakabuski.

Nays

Boudria, Bradley, Breithaupt, Bryden, Cassidy, Charlton, Cooke, Copps, Cunningham, Di Santo, Eakins, Edighoffer, Elston, Epp, Grande, Johnston, R. F., Kerrio, Laughren, MacDonald, Mackenzie, Mancini, Martel, McClellan, McGuigan, McKessock, Nixon, O'Neil, Philip; Reed, J. A., Reid, T. P., Riddell, Roy, Ruston, Samis, Sargent, Smith, Spensieri, Swart, Sweeney, Wildman, Wrye.

Ayes 61; nays 41.

10:50 p.m.

Mr. Riddell: Mr. Speaker, on a point of order: I just do not know what I am supposed to do now. Members of the Legislature are often asked to address groups such as 4-H clubs to talk about parliamentary procedure. We have always—

Interjections.

Mr. Speaker: Order. The member for Huron-Middlesex has the floor.

Mr. Riddell: We have always told them that an amendment to a motion is voted on first or an amendment to an amendment to a motion. If that amendment is lost, then the amendment is voted on and, if that is lost, then the original motion is voted on. What do we tell these groups when we address them now, because obviously you have changed parliamentary procedure?

Mr. Speaker: Order. With all respect, I suggest that the member for Huron-Middlesex read standing order 36, make copies of standing order 36, and send them out to all those people who may be interested in knowing. The alternative I would suggest would be for members of this House to change, if they so desire, standing order 36.

The House adjourned at 10:53 p.m.

CONTENTS

Tuesday, November 3, 1981

Government motion

Interim supply, resolution 10, Mr. F. S. Miller, concurred in.....	3161
Adjournment.....	3180

SPEAKERS IN THIS ISSUE

Bradley, J. J. (St. Catharines L)
 Cassidy, M. (Ottawa Centre NDP)
 Cousens, D.; Acting Speaker (York Centre PC)
 Cureatz, S. L.; Deputy Speaker (Durham East PC)
 Di Santo, O. (Downsview NDP)
 Epp, H. A. (Waterloo North L)
 Kerrio, V. G. (Niagara Falls L)
 Martel, E. W. (Sudbury East NDP)
 McClellan, R. A. (Bellwoods NDP)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 Reed, J. A. (Halton-Burlington L)
 Reid, T. P. (Rainy River L-Lab.)
 Riddell, J. K. (Huron-Middlesex L)
 Roy, A. J. (Ottawa East L)
 Samis, G. R. (Cornwall NDP)
 Sargent, E. C. (Grey-Bruce L)
 Smith, S. L. (Hamilton West L)
 Stephenson, Hon. B. M.; Minister of Education and Minister of Colleges and Universities
 (York Mills PC)
 Stokes, J. E. (Lake Nipigon NDP)
 Turner, Hon. J. M.; Speaker (Peterborough PC)
 Watson, A. N. (Chatham-Kent PC)
 Welch, Hon. R. S.; Minister of Energy (Brock PC)
 Wildman, B. (Algoma NDP)

58



Ontario, LEGISLATIVE ASSEMBLY

No. 89

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Thursday, November 5, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Thursday, November 5, 1981

The House met at 2:02 p.m.

Prayers.

SPEAKER'S ROLE

Mr. T. P. Reid: Mr. Speaker, I want to return to the point of privilege I raised with you the other day in which I brought to your attention the article that appeared in *The Toronto Sun* on Monday, November 2. I would like to read the third paragraph from the article by David Oved:

"PC back-benchers say Premier Bill Davis implied at the first Tory caucus this fall that he gave the word to Turner to clamp down on opposition MPPs, who helped create intermittent chaos in the House last spring."

I presume, since you did not start to say anything, that perhaps I should now give you the opportunity to say whether or not you have had an opportunity to read the article and whether you are going to make any comment on it today. As you are aware, sir, it calls you and your office into some question, and certainly detracts from the fact that you are supposed to be nonpartisan and the protector of the rights and privileges of all members of the Legislature.

I would ask, Mr. Speaker, because of the seriousness and implications of this article, that you now address it.

Mr. Speaker: Thank you very much.

On Tuesday, November 3, Mr. T. P. Reid raised a point of privilege concerning an article which had appeared in the *Toronto Sun* of Monday, November 2, under the name of Mr. David Oved. The member for Sudbury East (Mr. Martel) also directed my attention to the same matter on the same point of privilege.

Unfortunately, I was not aware of the article or of the allegations. However, I did assure the House I would read the article and report back when I had done so. I have since read the article, reviewed the matter and am prepared to comment.

I would advise all honourable members the suggestion in the story that the Premier (Mr. Davis) had spoken to me and—I quote directly from the story—"that he gave the word to Turner to clamp down on opposition MPPs," is nothing more than sheer nonsense and is totally false. I would like to take this opportunity to advise and assure all honourable members further

that never, at any time since I assumed the office of Speaker, has the Premier or any other member of government ever given me direction or advice on how I should carry out the duties of this important office.

I really do not know where the idea came from that I had met with the Premier in his office, because that was not mentioned in the article. As I assured the members when the matter was raised last Tuesday, I have never at any time since being elected a member of this assembly been in the office of the Premier of Ontario.

Further, let me take the opportunity to assure all honourable members that I will, indeed, as requested by the member for Rainy River, continue to carry out the duties of Speaker in an impartial and nonpartisan manner. I will also continue to protect the rights and privileges of all individual members of this House.

I want to thank the member for Rainy River and the member for Sudbury East for bringing this matter to my attention and affording me the opportunity to correct the record.

Mr. MacDonald: A point of privilege, Mr. Speaker: I would like to raise a question which affects the privileges of all members of the House.

Last Tuesday evening, we witnessed yet another example of the legislative business grinding to a halt because many members found intolerable your handling of the proceedings. It is not simply a case of whether it was correct in accordance with rule 36 of our standing orders but that, having made a decision, you then flip-flopped on it.

There is a growing feeling among individual members that the privileges are being abused by an application of the rules which is uncertain and uneven. The future wellbeing of the Legislature as the central forum of political life in this province is being jeopardized. Some expressions of concern with regard to how the House business is being handled from the chair were expressed in the *Toronto Globe and Mail* this morning, including those of the Leader of the Opposition (Mr. Smith).

Therefore, Mr. Speaker, not out of any sense of personal pleasure but rather of compelling

necessity in light of the circumstances, I wish to move a motion, seconded by Mr. Cooke, that this House has lost confidence in the Speaker's capacity to exercise the responsibilities of the chair with adequate competence and impartiality, thereby resulting in frequent infringements of the privileges of individual members—

Mr. Speaker: Order. I quite understand that. The motion you are moving requires 24 hours notice, I would suggest with all respect.

Mr. MacDonald: Speaking to that point of order, Mr. Speaker, our rules do not require—when a person has the floor he can move a motion. I would remind you that while there is nothing—

Mr. Rotenberg: That is not a point of privilege. It is a motion.

Mr. MacDonald: But it is part of a point of privilege. I would remind you, Mr. Speaker, that I acknowledge there is no precedent in this House for this and I recognize the gravity of what I am doing. The last time it was used in Canada was in the House of Commons in 1956 when Mr. George Drew, at the end of the pipeline debate, moved a motion which read as follows, "The House resolves that it no longer has confidence in the presiding officer." That was debated for some three days and then voted upon. I suggest it is in order.

Mr. Speaker: Order. I would suggest that, as I understand the standing orders—and I am well aware of the motion which was moved in 1956—the House of Commons in Ottawa requires 48 hours' notice of such a motion, while we here require 24 hours' notice of motion.

2:10 p.m.

Mr. MacDonald: What rule? Direct me to the rule, Mr. Speaker—to the standing order.

Mr. Speaker: There is no standing order, but it has been established by custom, precedent and tradition. I stand to be corrected. It comes under the ruling of a substantive motion, apparently.

Mr. MacDonald: Mr. Speaker, if that is the rule, I hereby give notice and I will move it at the appropriate time. We are not achieving anything by this delay.

Interjections.

Mr. Speaker: Order. I do not see anything wrong with putting the motion forward. But my advice is that such a motion requires written 24 hours' notice.

Mr. MacDonald: I will complete putting the motion then. The motion reads as follows:

"That this House has lost confidence in the Speaker's capacity to exercise the responsibilities of the chair with adequate competence and impartiality, thereby—

Hon. Mr. Gregory: Point of order.

Mr. Speaker: Order. Point of order.

Hon. Mr. Gregory: There is a proper time for presenting motions before the orders of the day, and I think the member well knows that.

Mr. MacDonald: Mr. Speaker, you gave me permission to complete it. Now may I complete or are you going—

Mr. Speaker: You rose on a point of privilege and I did indeed ask you go ahead and complete the motion. However, this does not preclude, as I understand it, the need for 24 hours' notice. Is that right?

Mr. Rotenberg: Point of order, Mr. Speaker. May I ask if it is proper to bring a motion under a question of privilege? The member rose on question of privilege and I submit he does not have the right to put forward a motion under—

Mr. Speaker: He rose on a question of privilege to draw attention to the matters he felt are of the utmost importance to himself and this House. I understand what you are saying—that as a motion it should come under motions. On the other hand I think it only fair, after having advised the member that 24 hours' notice of motion has to be given, in order to make me and all the other members of the House aware of what his concerns are, I would like to hear the motion.

Mr. MacDonald: The record will indicate you gave me that permission before the intervention of the government whip. I shall read the motion: "That this House has lost confidence in the Speaker's capacity to exercise the responsibilities of the chair with adequate competence and impartiality, thereby resulting in frequent infringements of the privileges of individual members and jeopardizing the orderly conduct of the legislative business.

"Therefore, this House: (1) urges the Speaker to resign; and (2) establishes a committee made up of the House leaders of each party which would report back an acceptable list of nominees for election by members of the Legislature of a new presiding officer."

Mr. Speaker: Thank you. Point of order, the member for Mississauga East.

Hon. Mr. Gregory: Mr. Speaker, I find this shocking that the member, on the basis of what happened on Tuesday night, chooses to say the

Speaker was flip-flopping. The members well know that during the 10-minute recess you called you had been very firm on your position. During that 10-minute recess the House leader of the New Democratic Party and the House leader of the Liberal Party and myself as deputy House leader met in your chambers and discussed this. The decision that came out of that was by unanimous agreement of the House leaders and yourself, taking the advice of those House leaders. If that is a flip-flop, I think it is on the part of the New Democratic Party.

Mr. MacDonald: Mr. Speaker, on a point of clarification: I did not base my statement or my resolution on Tuesday night alone. It was only the latest of the persistent recurrences of this kind of thing. It was on that basis the motion was put.

Mr. Eaton: If you people would act like gentlemen there would be no problem in the House.

Mr. Speaker: Order.

You have drawn my attention to the article that appeared in the *Globe and Mail* this morning. While I understand fully what they have said and what you have said, I think perhaps there is some lack of understanding of the standing orders and the application I have made of them.

It was quite obvious during the debate the matter under discussion was becoming very emotional. In fact things were being said that had nothing to do with the motion before the House. As Speaker I used my discretion to call a recess in order to consult with my advisers and with the House leaders to seek direction and advice. It was my view that as Speaker I have a responsibility to the House to make sure not only that decorum is preserved but also that the business of the House is addressed in a respectful and dignified manner.

So after consultation with my advisers I was assured that a precedent for what I ultimately did had been established, and with the concurrence of the three House leaders—who, I assume, represent the wishes of the three political parties—we proceeded. I just give you that as background material.

I also point out to all honourable members the decision to call the member for Ottawa Centre (Mr. Cassidy) and the member for Brant-Oxford-Norfolk (Mr. Nixon) out of order is very clear, in my view, in our standing orders. I was further assured after the consultation I had with my advisers during the recess that the

procedure I was using was indeed correct. I have once again gone over the background material I used to make that decision, and I feel, perhaps more firmly now than I did then, I was on solid ground and that I applied the rule correctly.

Thank you very much.

Mr. Rotenberg: Point of order, Mr. Speaker: Further to your rulings, I want to understand, because a precedent might be set on your ruling on what the member for York South (Mr. MacDonald) brought forward a few moments ago. Did you rule he was allowed to give notice of motion today, or did you rule that as part of his point of privilege he could read a motion which would be brought up in the future?

Mr. Speaker: I thought I made it very clear that this would not preclude the notice of motion 24 hours prior—in written form, I think I said.

Mr. Nixon: It has to be in written form.

Mr. Speaker: That is right.

Mr. Cassidy: On a point of order, Mr. Speaker: I would really like some clarification, because I am not sure whether you intend to follow precedent A, precedent B or some other precedent if we were to get into the same kind of situation again and if you were in the chair.

Last Tuesday night I was named and I was sent out of this place. Having been kicked out I was then kicked back in, and frankly—

Hon. Mr. Ashe: That was the only mistake.

Mr. Speaker: Order. The member for Ottawa Centre has the floor.

Mr. Cassidy: Incidentally, Mr. Speaker, I believe we jointly established a parliamentary precedent never before heard of in a thousand years of parliaments in Britain and in the Commonwealth.

2:20 p.m.

Mr. Speaker, is it your ruling there are certain situations when you are not going to hear points of order under any circumstances? If so, would you be kind enough to tell the House when you intend to act in that fashion because I think members should know.

I do not intend, and I did not intend on Tuesday night, to have myself ejected from the House. I still believe I was in order and I thought when I was brought back in my point of view was vindicated. Now you are telling me I was not vindicated at all. Which position is it, Mr. Speaker?

Mr. Speaker: Clearly, the member for Ottawa Centre has not taken the time to read and fully understand standing order 36. I asked you to leave the House because you refused—and you said you refused—to do as I requested. In order to preserve decorum in the House I asked you to leave, which you did.

Mr. Sargent: Join the club.

Mr. Speaker: There is ample precedent for what was done. I do not have the written copy in front of me but I can assure you it has happened before. With all respect, your statement again indicates to me you did not understand standing order 36.

It is not a question of applying a precedent on a selective basis. It is a matter of applying or looking for a precedent that has been firmly established. I did that and I think I have done that since being appointed Speaker of this House.

In answer to the member for Wilson Heights (Mr. Rotenberg), I will take this whole question under consideration and reply more fully some day next week when I have the opportunity to document all the precedents and former rulings I relied on. However—and this is dangerous—well, I won't say it because I do not have the paper here, but it is well established.

Mr. Cassidy: On Tuesday evening, as the leader of the third party in this Legislature, I was seeking to raise a point of order. I was not permitted to raise that point of order. In fact, in attempting to do so, I was ejected from the House. That is why I complained that an opposition member and leader of this party was being muzzled by the chair. Is it your view, Mr. Speaker, there are circumstances when this party does not have the right to raise points of order? If that is the case, I would contend that is a biased way of administering the chair.

Mr. Speaker: Your understanding is just not in keeping with the facts nor with standing order 36. I would direct the member's attention to section 36 which states quite clearly:

"The previous question, which may be moved without notice or a seconder until it is decided, shall preclude all amendment of the main question and shall be put in the following words: 'That this question be now put.' Unless it appears to the chair that such motion is an abuse of the standing orders of the House or an infringement on the rights of a minority, the question shall be put forthwith and decided without amendment or debate. If the previous question is resolved in the affirmative, the

original question shall be put forthwith and decided without amendment or debate."

I would respectfully suggest the question before the House was, "That this question be now put."

Mr. Martel: Mr. Speaker, could you then clarify for us? I think I raised this the other evening and my friend will recall what bothered me. The order says the issue would be decided without amendment or debate and I am prepared to accept that. However, the question I posed then and which I pose now is, does that prevent anyone from raising a point of order? In other words, is a point of order a debate? Is it an amendment? Or is it allowed? I think that has to be clarified in the ruling because we do not know whether we are in a position at least to make a point of order before the question is put. I think that question has to be clarified.

Mr. Speaker: Again I say it is very clear in my mind what the procedure is. The question that was before the House was that the question be now put; it was not the main question, with all respect. The standing order clearly says that must be decided first—to gain the permission of the House that the question be put. Then we can address the main question.

Mr. Martel: Mr. Speaker, maybe I could try again. I am not disputing—

Some hon. members: Throw him out.

Interjections.

Mr. Speaker: May I just give you further clarification? I have just been riffling through my papers and I have come up with something I think is interesting and germane to the decision. I quote directly from Beauchesne's Parliamentary Rules and Forms, fourth edition, 1958, "Standing Orders and Rules of the House of Commons of Canada," part one, "Public business." In the preface to those, it says, and I quote directly: "The previous question, an old proceeding originally introduced in 1607 for the purpose of sidetracking amendments . . ." That is the main precedent.

Hon. Mr. Gregory: Mr. Speaker, in order to expedite this matter and to get back to the regular business of the House, may I make a suggestion. There seems to be some difficulty in understanding the rules, or everybody is not reading them the same way. Is this a matter that could be referred to the standing committee on procedural affairs for clarification, or at least a rewriting, so that everybody will be able to understand what they read?

Mr. Speaker: Yes, it may very well be, if it is the wish of the House to do that. I will certainly take that matter under consideration.

Mr. Martel: Can I now place my question?

Mr. Speaker: Your final one.

Mr. Martel: I am not disputing what you said, Mr. Speaker. In fact, I agree with you on the interpretation of the rule. What I am asking is whether a member is precluded from raising a point of order. The rule speaks of an amendment or a debate. I am not suggesting either one. All I am asking is whether it is in order, before the original question is put, for a member to raise a point of order. That is all I am asking. That is what I am trying to get clarification on.

Mr. Speaker: In order not to detain the business of the House I will take these matters under consideration, as I said earlier. I will report back to the House more fully when I have had an opportunity to consult with the books and the people I had consulted before.

STATEMENTS BY THE MINISTRY

AID TO AUTOMOBILE INDUSTRY

Hon. F. S. Miller: Mr. Speaker, the Ontario government has always recognized the important role the automotive industry plays in the economy of this province. I do not have to remind my fellow members that about one out of every six jobs in Ontario is dependent upon this sector. Therefore, it is clearly this government's duty to ensure as strong a performance as possible in this industry. This brings me to the situation we face today.

In spite of significant sales incentive programs introduced by the major domestic producers, sales of North American-built cars are slumping badly. As a result, dealers have a considerable inventory on hand. With the current high level of interest rates pushing up carrying costs dramatically for the industry I am afraid we are fast approaching a dangerous situation. Too high inventory prevents full production runs of the new 1982 model year, resulting in layoffs and job losses. At the same time, dealers are crushed under the associated high carrying costs, damaging the extensive and sound distribution network so crucial to the auto industry's success.

Members will remember that in early 1980 I reacted to the emergence of a similar situation. As I said at that time, it is not sufficient for Ontario to turn its attention southward and hope for a strong upsurge in buying south of the border. Our action at that time was successful

and strongly endorsed by representatives of the auto industry.

2:30 p.m.

In the last month, I have met with representatives of both the manufacturers and the labour movement on this current situation. They have indicated to me the problem is more severe than that which existed with respect to the 1979 model year. Consequently I am announcing the government of Ontario will once again be stimulating consumer demand via sales tax relief.

Under this temporary assistance program, there will be a full rebate of retail sales tax paid, up to a maximum of \$700, on purchases of new 1981 model year passenger cars and light trucks. The rebate will be in effect for vehicles delivered between November 6, 1981, and December 5, 1981, inclusive, provided the vehicle is purchased prior to November 29, 1981. Full details of this program will be made available by the Minister of Revenue (Mr. Ashe).

I fully expect this measure will result in brisk sales of 1981 inventory. By doing so, I anticipate this measure will provide a critical push for the manufacturers into a more solid 1982 model year, while maintaining intact the extensive distribution system so important to industry performance.

Experience with the similar measure implemented during February 1980 and with the rebate program implemented in November 1980, and the fact our action will be reinforcing significant dealer efforts to move products, support this expectation. Furthermore, I feel a strong potential for sales exists as there has never been as many older cars out there as there are at this time. In this light, I have estimated a potential cost to the province of \$20 million in revenue foregone.

Every member of this House knows the automotive industry has in the past decade faced major structural problems compounded by vigorous foreign competition. It will be difficult to resolve these problems, but resolve them we must. I reiterate this government is committed to working with the industry and the unions that represent it to build a strong and vigorous automobile industry, one that will continue to grow and provide needed jobs for the people of Ontario.

Interjections.

Mr. Speaker: Order. You will have your opportunity during question period.

BILD INITIATIVES FOR AGRICULTURE

Hon. F. S. Miller: Mr. Speaker, it gives me a great deal of pleasure as chairman of the Board of Industrial Leadership and Development to announce to this House that since its inception the board has been vigorously pursuing its goal to create and implement Ontario's economic development strategy through a large array of initiatives.

I am especially pleased to announce further initiatives today. Two are on behalf of my colleague the Minister of Agriculture and Food (Mr. Henderson), who is in London, Ontario, today. The Minister of Natural Resources (Mr. Pope) will announce two others. In partnership with these ministries, BILD will contribute upwards of \$5.5 million on a variety of resource development programs over the next five years. Additional funding will also be provided by each of these ministries.

Recognizing the increasing need for advanced education in agriculture, including computerized farm management and high-precision laboratory procedures, a four-year program is to be instituted at the agricultural colleges throughout the province. This program will strengthen the high-technology component of agricultural education in various ways. Microcomputers are to be purchased so students can learn how to use the computer on the farm for accounting and recording systems, and for budgeting and marketing. High-precision instruments are to be provided for laboratory technology courses that include instruction in food management, animal health and agricultural laboratory technology.

Complex farm machines are becoming normal equipment for many farms, and funds will be used to lease or purchase such machines for college instruction. This Board of Industrial Leadership and Development program, as my colleague the Minister of Agriculture and Food would tell members, helps his ministry maintain the high standards they have set for agricultural education.

The second new BILD initiative under the Ministry of Agriculture and Food is the extensive upgrading of facilities at the farmers' market at the Ontario Food Terminal in Toronto, including greatly increasing the number of stalls and installing a roof, at a total cost of \$3 million, of which BILD will pay two thirds, the remainder coming from the food terminal board.

The BILD program for the Ministry of Natural Resources being announced today by my colleague the Minister of Natural Resources

is a major forestry undertaking in eastern Ontario, to which BILD is contributing \$2.2 million.

ECONOMIC POLICY

Mr. Mancini: On a point of privilege, Mr. Speaker: You may recall that on Tuesday last I rose in my place and asked the Treasurer whether he was going to provide assistance for home owners if no such assistance was to be provided in the federal budget. You may recall that the Treasurer said he was not going to introduce any kind of economic stimulus until the federal Minister of Finance tabled his budget.

Do you not agree with me, Mr. Speaker, that the Treasurer of Ontario was not being completely honest? We want to know why he is prepared to help the car dealerships and not the home owners of Ontario.

Mr. Speaker: Well, I have no idea, but he has obviously changed his mind—and, I would think, in response to the needs of the people.

Interjections.

Mr. Speaker: Order.

BILD-FUNDED FORESTRY PROJECTS

Hon. Mr. Pope: Mr. Speaker, my statement this afternoon has to do with further details of BILD funding as it concerns two major forestry projects in eastern Ontario. A total of \$1,429,000 in funding has already been approved by BILD for one of the projects. Another funding arrangement, between Domtar and my ministry in the Cornwall area, has been approved in principle. However, the amount of funding and some other details still have to be resolved. These projects deal with the production of hybrid trees, mainly poplar, in which my ministry has the lead role.

At this time I believe it is appropriate to direct the members' attention once again to our new Ontario Tree Improvement and Forest Biomass Institute. A great deal of its work is concerned with the development of fast-growing trees, with special emphasis on what has been referred to lately as Ontario's supertree, the hybrid poplar. Essentially, that is what the two forestry projects are all about. The biomass institute was established as part of the BILD program to accelerate Ontario's development of fast-growing trees. The two current projects are helping us to carry out that mandate.

The funded project is at Carlsbad Springs, east of Ottawa, where my ministry will grow

hybrid poplars on 1,250 acres of crown land. They will be planted on a five-year rotation basis. This project is energy-related, because at harvest the biomass will be suitable for providing a high-grade fuel supplement to the waste material which is to be burned in the Ottawa-Carleton district heating plant. In anticipation of a go-ahead for this project, we would like to begin work in 1982-83 on planting 250 acres per year of hybrid poplars with high calorific values.

In August, my ministry held a scientific review of our most dramatic forest technology development, the hybrid poplar program. It began in 1969, but has gained momentum particularly in the past five years in terms of both size and scientific content. Our program has been watched with great interest in many other countries, and we invited experts from around the world to come and give us their reactions to our work so that we could have the benefit of their comments and ideas in planning our future work program.

The scientific review represented a new departure, and, of course, the poplar program is unique in Canada; so it was a very worthwhile experience. We are going to publish the papers that were presented then.

2:40 p.m.

Benefits stemming from this program are many. A project between Domtar Incorporated and the Ontario Ministry of Natural Resources has been approved in principle. Under this project, Domtar will lease lands from private land owners in the Cornwall area. On lands not suitable for agriculture, plantations of fast-growing hardwoods will be established.

Through this program, land owners with idle land currently producing no worthwhile crop will be able to derive an annual income through a leasing agreement during the early years and stumpage at the time of harvest. Private land owners will receive this payment from the company. The Ontario government will reimburse the company for a portion of these costs.

At the same time, Domtar will be able to ensure the long-term tenure of its Cornwall mill by securing a significant part of supply. The present patterns of land ownership will be maintained since the land will be leased and not owned by the company. By producing wood fibre in intensively managed and highly productive plantations, the wood can be grown on a smaller land base, closer to the mill, resulting in substantial savings in transportation and energy costs.

The establishment of production forests in

the local area will stimulate the local rural economy in the way of jobs and supply and service contracts. The cost effectiveness of production will be enhanced since all the forest management activities will be carried out by the private sector rather than through a government agency. In addition, idle land in the Carlsbad Springs land assembly will be brought into production, and a major biomass-for-energy demonstration project will be established.

Positive results will bring an expanded knowledge of poplar-growing technology, an enhanced pulpwood supply close to mills and a significant step towards full technology in the MNR hybrid poplar program. I look forward to keeping members up to date on these exciting forestry programs. I believe wholeheartedly that this is a real breakthrough in supplying a major part of Ontario's energy needs for the future.

MICROELECTRONICS TASK FORCE REPORT

Hon. Mr. Grossman: Mr. Speaker, I am pleased to table today the report of the Ontario Task Force on Microelectronics. Along with the task force report itself, I am also tabling extensive background documents that were prepared by my ministry staff to assist in the deliberations. The other background papers prepared by participating ministries are listed in the task force report and are available from those ministries upon request.

In the speech from the throne of March 1980, the government of Ontario announced its intention to "establish a working group of private and public sector experts dealing with microelectronic technology to ensure optimal benefits for industry and the people of Ontario."

The throne speech expressed the government's recognition that there is a need for the development of suitable policies to capitalize on the industrial benefits that could accrue from this new microelectronic technology.

We also acknowledged that the introduction of major technological changes would bring with it significant adjustments for labour, industry and society and that policies would have to be designed to maximize the benefits of microelectronic technology while simultaneously minimizing the cost to society.

Accordingly, my ministry established a task force composed of seven members under the able chairmanship of Dr. Donald Chisholm, president of innovation and development of Northern Telecom. In addition to Dr. Chis-

holm, who is with us today in the Speaker's gallery, were the following members: Mr. Des Cunningham, chairman of the Gandalf Group; Mr. Mike C. J. Cowpland, president of Mitel Corporation; Mr. Tom H. Savage, president of ITT Canada Limited; Mr. Ian P. Sharp, president of I. P. Sharp Associates; Mr. Robert Butler, secretary of the Management Board of Cabinet; Dr. Ken C. Smith, chairman of the department of electrical engineering at the University of Toronto; and Mr. Glen Pattinson, president of the Canadian district of the International Union of Electrical, Radio and Machine Workers.

Over the past year, the task force was assisted in its deliberations by staff from the Ministries of Industry and Tourism, Transportation and Communications, Labour, Education and Colleges and Universities.

The task force report stresses that labour, government, industry and our educational institutions must work together to maximize the use of microelectronic technology and to see that adequate training and retraining programs are provided to our young people and to those already in the labour force.

The task force has advised us that adjustments to the microelectronic era have to be planned for and made as quickly as possible. This is particularly true for Ontario, which relies so heavily on its ability to manufacture efficiently and to remain competitive in world markets.

In addition, there are a great many Canadian companies, particularly small firms outside the electronics industry itself, that could benefit from the opportunity this new technology offers to improve their competitive position. They will, however, find it difficult and expensive to acquire and utilize.

The task force is cautiously optimistic about our ability to realize the opportunities associated with the development and diffusion of microelectronic technology while minimizing any costs associated with required adjustment. However, they see careful planning as essential in this process.

With respect to the role of government, the task force sees our role as that of a catalyst in the process of change. From their point of view, change must come from co-operation between industry, labour and all levels of government.

I am pleased to note the task force's support for many of our government's recent initiatives, including establishing a microelectronic technology centre; establishing centres based on

computer-assisted design, manufacturing and robotics technology; establishing a microelectronics installation fund for the introduction of new process technology; providing \$5 million to support a Telidon-based tourist information system; and our government's assistance in the development of a Canadian-produced educational microcomputer with associated software and courseware.

The task force has recommended the early establishment of a microelectronic technology centre, and I am pleased to report that I will be able to make a statement about that centre in the near future.

In addition to the establishment of this centre, the report makes a number of recommendations in the field of industrial development. It recommends that government develop policies to improve the climate for research and development, monitor the ability of industry to secure adequate supplies of integrated circuits, stimulate investment in high-technology ventures through tax incentives and other measures, provide support for purchasing foreign technology through licensing procedures and treat software as an industry in its own right.

In the important area of labour adjustment and manpower availability, the report recommends co-operative government, labour and industry retraining programs for labour affected by microelectronic technology, a co-operative program to monitor the impact of microelectronic technology on the health and safety of workers and develop health and safety standards where necessary, provision of income support programs to assist workers displaced by this new technology and provision of government support to increase the supply of highly skilled personnel in this vital and growing industry.

It was particularly encouraging to note the task force's view that microelectronic-based products have a tremendous potential to assist the handicapped. The task force urges government support to develop such products to help the disabled overcome their handicaps.

With respect to education and awareness, the report points to the need for programs to increase public awareness of the potential of microelectronics and to ensure that all students learn about computers.

The findings of the task force underline the sense of urgency our government attaches to the development of policies and programs for the microelectronics industry.

The task force has presented us with a

substantive examination of the opportunities and challenges surrounding our emerging microelectronics industry, and indeed the report contains many sound recommendations.

As the ramifications of this report are complex, far-reaching and vital to the future of this province, we will review the implications of the recommendations contained in the task force report carefully. It is imperative that government and industry now respond in a manner that will maximize the potential benefits of this burgeoning industry for the citizens of our province.

Today, with the release of the report of the task force on microelectronics, Ontario has taken another important step forward to meet the challenge of the dawning microelectronic era. In effect, we are telling the world that we are a mature industrial nation, that we have developed a world-class capability in high-technology products and that we intend to compete successfully in international markets.

As the task force has stated, "some degree of sovereignty in microelectronic technology is regarded as essential for long-term economic growth." The fact is that we cannot stand by while other countries use the technology to automate their industries and thus erode our ability to compete in world markets. We must use this technology to enhance our international competitiveness, protect and create jobs, improve the quality of our work and home environments and raise our standard of living.

With planning and investment, microelectronics can create jobs in the long term. However, as the task force report has acknowledged: "There is no doubt that technological change can lead to job displacement and the obsolescence of hard-won skills. The challenge is to ensure that the technology does not simply eliminate jobs in Canada and create new jobs elsewhere.

2:50 p.m.

My ministry, along with participating ministries, will examine these recommendations thoroughly and report back to the House concerning the implementation of our specific programs and policies. Because of the importance of this subject, we will give this report top priority.

Finally, I know the members of the House will join me in thanking the task force and Dr. Chisholm for their report and recommendations and for making available their time and efforts and talents over the past year. I ask the House to join me in recognizing Dr. Chisholm.

VISITORS

Hon. Mr. Walker: Mr. Speaker, a very happy event happened in Toronto last Monday night. A beautiful young lady from London, Ontario, Miss London, was chosen Miss Canada 1982. I would like now formally to introduce to members Miss Karen Baldwin from London, Ontario, a student at London Central Collegiate, who has been very active in the United Way and really does her part in the city. We all welcome her in her continuing role and wish her well as she continues on in her role as Miss Canada, representing Canada in the Miss Universe Pageant for 1982.

Mr. Smith: Mr. Speaker, on the same point: May I just say how proud all of us in Hamilton were that the runner-up, and a very worthy runner-up indeed, was Miss Hamilton.

Hon. Mr. Grossman: Mr. Speaker, although Miss Toronto was third runner-up, I do not rise on that point of order. I just want to express my regret that, although we wish her well, Miss Canada got more applause from this assembly than Dr. Chisholm did. I would hope that the members might try to even that off for both of them.

Hon. Miss Stephenson: Mr. Speaker, for the past three days Ontario has had a very important visitor, Dr. Carl Gustav Andrén, who is—

Mr. Smith: Miss Congeniality.

Hon. Miss Stephenson: The member for Hamilton West could take lessons from me.

Mr. Speaker: I remind all members that the clock is running.

Hon. Miss Stephenson: Mr. Speaker, for the past three days Ontario has had a very important visitor in the person of Dr. Carl Gustaf Andrén, the Swedish Chancellor for Higher Education, who is with the National Board of Universities and Colleges of Sweden.

Dr. Andrén and his wife have been visiting the Council of Ontario Universities, and we have had the opportunity of hosting him and sharing concerns and problems with this gentleman, who represents the entire post-secondary area in Sweden.

I ask my colleagues in the Legislature to welcome Dr. Andrén and his wife, who are sitting in the gallery under the Speaker's gallery.

Mr. Martel: Mr. Speaker, while everyone is in a congratulatory mood, I want to draw to the attention of the House that Alex Baumann, a youngster from the city of Sudbury, has just been chosen the world's swimming champion of

the year.

Mr. Speaker: While we are in such an expansive mood, maybe we could extend congratulations to all those people who have been mentioned this afternoon on behalf of the Legislature of Ontario.

CONSTITUTIONAL AGREEMENT

Mr. Smith: On a point of order, Mr. Speaker: Statements appear to have come and gone, and we have not heard from the government about the very historic agreement reached with regard to the constitution of this country.

First of all, I want to express my own great happiness and that of my colleagues that the impasse has been broken and that the constitutional agreement between the federal government and at least nine of the Premiers has been reached in such a way as to indicate at first glance that the agreement will have a much better chance of going through the United Kingdom House of Commons.

We feel that the first ministers bargained in good faith. We are very pleased that the first minister of this province went in the spirit of attempting to reach an agreement and that he did what he could to help that agreement.

I hope that before we finish the question period today it will be possible for the Deputy Premier (Mr. Welch) to report to this House on what he understands to be the details of the agreement—perhaps not the entire agreement, but some of the salient features as they might pertain particularly to the people of Ontario—so that we in this House might receive the government's official view of the agreement and not just be dependent on what we may have heard from some reporters on the radio and television so far.

This seems to be a happy day for the country. I want to pay tribute to those who took part in the negotiations, and we look forward to a complete report on the details from this government—I hope before question period is over.

Mr. Cassidy: Mr. Speaker, I have had only the sketchiest information about the agreement, which has been initialled by nine Premiers and the Prime Minister of Canada. Obviously my party and I are both happy that there has been a resolution, but at this stage we cannot comment on all the particulars, because I suspect that not even the government has a particularly clear picture.

It is a pity that we should have 54 years of confrontation over the constitution and then, in

a matter of a few hours, an agreement is finally struck. That is not the best way to make an agreement, but one none the less hopes that the Premiers have devised and designed well.

It is a historic event when the provinces and the federal government can reach an agreement on this matter, which, although it is not at the tip of everyone's tongue or on everybody's mind here in Ontario, certainly is of ultimate long-term importance to us all.

I hope that, this stage being over, it will be possible to begin considering means by which there can be closer institutional co-operation between the provinces and the federal government in view of the very serious economic problems which now face our province and our country and which have had a tendency to be put on the back burner while the constitution is being considered.

Hon. Mr. Welch: Mr. Speaker, it is obvious from the comments that have been made, and I am sure we realize as we follow the events of this particular day, that November 5, 1981, will go down in the history books of this country as a very significant day in the evolution of our federation.

I appreciate and am very grateful for the positive comments of the Leader of the Opposition and the leader of the third party in this regard, emphasizing as they have the importance of the events of the last few days as they show the results of negotiation between the various jurisdictions in this country.

I think it was obviously reasonable to expect that at the first opportunity—our own first minister, the Premier (Mr. Davis), played a very key role in this; I am sure that we in this House and, indeed, all the people of Ontario are very proud of the role the Premier has played in these negotiations and, as the Leader of the Opposition has reminded us, of the spirit of co-operation expressed by all the first ministers.

In checking some of the details in preparation for the opening of the House, I was advised that the Premier himself wanted the opportunity to share the results of today's discussions and of the agreements that have been reached, and that he will use the first opportunity for that tomorrow morning.

3 p.m.

ALLEGATIONS OF POLICE BRUTALITY

Mr. Breithaupt: Mr. Speaker, before we move on to the next order of business, I rise on a point of order with respect to another matter, unfortunately not quite as pleasant as the one

that has just been raised.

I refer to the concerns expressed in the media in regard to certain tactics and operations that were claimed, before the Metropolitan Board of Commissioners of Police, to have occurred and included allegations of brutality with respect to a variety of individuals within Metropolitan Toronto.

Can the Deputy Premier advise us whether there is to be a statement on this particular matter that he knows of, or will the matter have to stand over until the Solicitor General (Mr. McMurtry) is back in the House, perhaps at the beginning of the week?

Hon. Mr. Welch: Mr. Speaker, I am not aware of any statement and, in the absence of the Solicitor General, there is not likely to be one today. At the first opportunity, I will have a word with the Provincial Secretary for Justice (Mr. Walker) and report back if there is any change in that.

ORAL QUESTIONS

CANADIAN ADMIRAL

Mr. Smith: Mr. Speaker, I would like to address a question to the Minister of Industry and Tourism. I will leave aside the rather bitter irony involved in his ministry's recent publication, Ontario Business News, which says, "For Canadian Admiral Corporation of Mississauga, attendance at a Ministry of Industry and Tourism manufacturing opportunity show 18 months ago is now paying off."

Now that we know these plants have closed and the company has gone into receivership, can the minister tell us, in this very sombre situation, what the status is, as he understands it, with regard to the severance pay for the 1,000 to 1,600 workers in Ontario, I am told, whose jobs have apparently been terminated?

What are the possibilities, as he understands them, for these workers to find other jobs in Ontario manufacturing, and what plans he has to assist them in this sort of relocation? Will he be involved in helping to find a buyer for the plant and for the company, or in helping the workers, should they so desire, to purchase the company themselves?

Hon. Mr. Grossman: Mr. Speaker, as I followed the list of questions, answers to the last two questions are yes, we will be working with the employees and indeed any other group that might be interested in looking at the possibility of salvaging that company. It is an important company to us, and we will do everything

reasonable in the circumstances to reconstruct that situation.

I might say I am gratified to note that this ministry not only was involved with Canadian Admiral when it ran upon difficult times in the last little while but also was working with that company as long ago as a year and a half or two years to see that we could do what we could to make sure they got an increasing share of what was obviously a difficult market for consumer durables.

Mr. Smith: Does the minister not recognize that for these 1,000 or 1,600 workers and their families, whose lives are now caught up in Ontario's manufacturing decline, our first priority in this Legislature must be the revitalization of our manufacturing base, which has eroded so badly over the years?

That being the case, how can he justify the Suncor expenditure to those workers? Can he imagine how those workers feel when they see that \$650 million in scarce, borrowed dollars has been put into a passive investment with no job creation benefits for Ontario, rather than being utilized to revitalize the manufacturing sector which has declined so badly?

Hon. Mr. Grossman: This government is terribly concerned about the situation with those workers. I had a call early this morning from the member for Mississauga South (Mr. Kennedy), who is just recovering from a bit of an operation, expressing his concern during a long conversation on that. The member for Cambridge (Mr. Barlow) has been in touch with me throughout the morning to express his concern and see what could be done.

Mr. Mancini: A lot of concern but no action.

Hon. Mr. Grossman: The member should just listen for a second. Those who have studied the industry will know that Canadian Admiral's problems have absolutely nothing to do with the question of whether this government spends money on Suncor or anything else. Canadian Admiral's problems are related to the very difficult situation for consumer durables in a period of high interest rates.

Canadian Admiral has been assisted by this government before. I believe if the honourable member checked with Canadian Admiral, the company would have nothing but compliments for the efforts made by this ministry and this government in trying to make sure it had every chance to survive in this economic climate. I am proud of the fact we were not there just at the end of the cycle, but were there at an early stage

with some front-end assistance to Canadian Admiral to give it every chance to survive.

Mr. Cassidy: A supplementary question, Mr. Speaker: The previous time the government helped Canadian Admiral it closed a plant in my riding and 220 jobs went down the drain. Now it has done the whole thing and the company has shut down completely.

Is the minister aware of the statement by Coopers and Lybrand distributed to the employees yesterday that says among other things, "The agent's primary responsibility is to protect the interests of the company's bankers," and then asks the co-operation of the workers with the company and the agent in these difficult times.

What situation have we come to in this province when a company is taken over by bankers and the bankers force more than 2,000 workers out of their jobs? What is the government going to do to ensure that workers in this province can have jobs and not be thrown out on the street as a result of bankers intervening because of their high interest rates?

Hon. Mr. Grossman: Mr. Speaker, if the member is suggesting that a well-established and reputable firm should not look after the rights of its client, that is something he might want to take up with Coopers and Lybrand, the accounting profession or whatever. That is a totally unrelated matter.

Now that the leader of the third party has finished his grandiose speech, the question is a very simple one: What can be done in the face of a company—

Mr. Martel: The minister would know about that.

Hon. Mr. Grossman: The member should never mind his crocodile tears and those of his leader for the workers. We are working hard on this side, including looking at every single alternative to save those jobs in Mississauga and Cambridge. We have spent a great deal of time on it. We have been doing nothing else in my ministry except working on this all day today and we are dedicating every effort of this government to do what we can to save those jobs.

Political speeches such as the one made by the leader of the third party, which would purport to indicate to the workers they are being mistreated or somehow losing jobs because of the inaction of this government, do not do him or the workers any service. It creates more uncertainty and tension in the minds of people

who are seeing their entire lives threatened.

I suggest to him he reconsider how important his own political imperatives are in light of the situation being faced by those workers. The member should show some responsibility. We are working hard over here to save those jobs and we are going to do that and ignore his partisan remarks.

Mr. Barlow: A supplementary question, Mr. Speaker: I would like to assure the minister I will certainly continue to work with him on behalf of the employees in Cambridge. However, I want to be assured by the minister that he will continue working with the receiver, Coopers and Lybrand, to make sure a buyer can be sought out and obtained for this important industry.

Hon. Mr. Grossman: Yes, indeed, Mr. Speaker. In fact, pursuant to several calls placed by the member for Cambridge and the member for Mississauga South, we have put our senior ministry staff people on the matter and they have been meeting with several people involved with the company, including canvassing some other private sector opportunities for that company. We will continue to pay a lot of attention to it.

Mr. Smith: A supplementary question, Mr. Speaker: Would the minister agree the issue is not so much whether the government has done what it could for one company? In the free enterprise system certain companies will get into difficulties for market reasons, managerial reasons or whatever. Would he agree rather that the problem is that in the entire manufacturing sector things are in decline and therefore alternative jobs are much less likely to be available for these people?

That being the case, would the minister admit Ontario's great tradition as the manufacturing centre of this country requires we do what we can to stimulate that area, rather than make an investment of \$650 million in a tar sands company where the investment does not even circulate through Ontario? Would he not recognize it is manufacturing that requires an investment of \$650 million and not a passive investment in the tar sands of Alberta?

Hon. Mr. Grossman: Mr. Speaker, I think one has to look at the dedication of funds made by this government to the industrial sector last January through the Board of Industrial Leadership and Development.

3:10 p.m.

Mr. T. P. Reid: All it was was a bunch of propaganda.

Hon. Mr. Grossman: Then the member for Rainy River should stop begging for part of the BILD funds for his riding.

The fact is that there has been a massive dedication of funds. I have found my colleagues, the Treasurer (Mr. F. S. Miller) and the Chairman of Management Board (Mr. McCague), to be most responsive to any requests I have made in terms of the real and legitimate needs of the industrial and manufacturing sectors.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Grossman: I would point out to the Leader of the Opposition who suggests there are no alternatives for these workers that I hope he is wrong in saying that. I know he hopes he is wrong in saying that. We will exercise every effort we can to restructure this company.

I would point out two other things. One, manufacturing employment is up in this province some 42,000 to date. That indicates this year to date we are increasing—

Mr. Smith: As a percentage of jobs in Ontario it is down.

Hon. Mr. Grossman: I do not know how the member can say the manufacturing sector is in decline when we have 42,000 more people employed in manufacturing now than there were in January of this year. That is not a sector in decline.

The Leader of the Opposition is quite right when he suggests there are going to be further adjustments in the manufacturing sector. That, I think, is obvious. We are working hard to deal with that problem. I refer the member to—and I know he will be interested in it—the report of the microelectronics task force which acknowledges that. It makes recommendations for the very kind of retraining of the existing labour force that may be required in this kind of circumstance. As I indicated in my statement, we will dedicate every amount of effort to ensuring that retraining.

AID TO AUTOMOBILE INDUSTRY

Mr. Smith: Mr. Speaker, my question is to the Treasurer. Now that he has announced a program to increase our deficit by another \$20 million in order to help a few automobile dealers, will he admit that his program can do absolutely nothing to help the automobile industry but can help only a few automobile dealers? First of all, his rebate will apply as well

to imports, which are more or less one third of the Ontario market at this time. In addition to that it is not possible to add a single production job because of this, since the cars to be sold are 1981 cars that have already been produced.

If he says this is going to help the 1982 market does he not admit that when the former Treasurer (Mr. McKeough) did this back in 1975 the increase in the number of cars sold was at least 50 per cent borrowed from the sales of the next year, which proportionately went down, and the timing of sales was changed? If anything, the 1982 sales are likely to be lower. Will he admit, therefore, that all this gimmick is going to do, apart from giving him some good publicity, is allow the auto dealers to sell off their 1981 inventory without having to put it at sale prices, because the government of Ontario is now prepared to subsidize them to the tune of \$20 million?

Hon. F. S. Miller: Mr. Speaker, we had a lot of discussions the last time I did this in February 1980. The honourable gentleman went through a lot of newspaper ads, I recall at that time, and came to some erroneous conclusions. I believe he even made a retraction of some of the things he said that badly hurt a couple of specific dealers. He may recall doing that.

Mr. Smith: That is not so. There was no retraction.

Mr. Speaker: Order.

Hon. F. S. Miller: He did not retract—fine. He showed then, and he has shown now, an abysmal lack of understanding of the market. I have to tell him I do understand that market pretty well. I can also tell him right now, for example—

Interjections.

Mr. Speaker: Order. The Treasurer is responding to a question asked by the Leader of the Opposition. Will he please proceed?

Hon. F. S. Miller: Approximately one ninth of the cars that are carryover models in stock in Ontario are imports. Eight ninths are North American, if the statistics we have are correct. It is not just a few dealers I am trying to save. I am trying to save the jobs of a lot of people working for those dealers. I am trying to unplug a very costly inventory flow that is absolutely stopping orders for 1982s from the factory, and I am trying to move things.

One more thing: In 1980, when I did it—

Interjections.

Mr. Speaker: Order.

Hon. F. S. Miller: A lot of soothsayers in February 1980 said all I was doing was helping the dealer who had excess stock. The truth was that while we moved perhaps 75 per cent of the 1980s in stock that month in 28 days, we also had—and we kept very careful records of it—unprecedented increases in the sales of the current model, because showroom traffic was generated. That will happen again, and I am convinced members will see, along with the direct payments being made by two manufacturers plus the low-interest program being used by another manufacturer, a tremendous psychological and real reason for a number of people to decide to purchase an automobile.

Mr. Smith: By way of supplementary, Mr. Speaker: Even the 40,000 or so cars he expects to be able to sell this month account for less than half of one per cent of North American production. He surely cannot believe that even if all the cars being sold are North American, which they will not be, that is going to have an effect on the production line.

Would the minister not admit that if a seven per cent reduction in the cost of a car is going to do all these wonderful things—bring people into the showroom, move the inventory—then all the companies have to do is announce a seven per cent reduction or have their parent companies announce a rebate to car buyers? All he is doing is taking the money of the people of Ontario and subsidizing these dealers so they do not have to put on their own sales.

If he is willing to do it for car dealers why will he not do something to help all the small businesses of Ontario, all the farmers of Ontario who are suffering from high interest rates, who are going bankrupt in record numbers this winter? And he knows that is going to happen.

Why does he not help them with their interest rate problems and their inventory problems? Why does he pick on car dealers like himself and his son? Why does he not deal with people who know something about the difficulties of high interest and who have been begging him for help these many months?

Hon. F. S. Miller: It is a good thing, Mr. Speaker, the rules of the House prevent swearing, or I would swear at the member.

Hon. Miss Stephenson: Right—because he deserves it.

Mr. Smith: On a point of privilege, Mr. Speaker: There is no implication, and I wish to remove any implication—

Interjections.

Mr. Smith: Just let me finish. There is no implication that I am suggesting there is any effort at self-interest or interest of family. I want to remove that.

I want to say, however, that because of family involvement in that business the Treasurer is very familiar with that business and seems to me annually to be more interested in that business than in others with which he has less experience. And I think the record will show he helps the dealers every year and does not help the small businesses of Ontario.

Mr. Speaker: Order.

Hon. F. S. Miller: Mr. Speaker, I suppose we are lucky that he is retiring.

For the record, since he has impugned my family and me, I think I have the right to make certain comments.

Mr. Smith: No one is being impugned.

Hon. Miss Stephenson: You did it and you emphasized it.

Mr. Smith: He knows the business—that is all I am saying. There are lots of other businesses in just as much trouble as that business.

Mr. Speaker: Order.

Hon. F. S. Miller: Mr. Speaker, first, I did not have a son in the business the last time I did it. Number two, I do have a son in the business now. I have been in the business myself; I do understand it, but that is not why I specifically chose it. Whether the honourable member likes it or not it happens to be the single largest manufacturing type of business in this province, and it happens to be a tax that it is within my jurisdiction to do something about.

And I am doing it. I am even pleading with the federal government to do something in the same direction. I was approached, as I said in my statement, by the Ontario automobile dealers association, which represents all dealers; I was approached quietly by labour people concerned about the state of employment in the industry.

Mr. Smith: Which part of the industry? Come on.

Hon. F. S. Miller: The automobile manufacturing industry.

Mr. Smith: What is there for manufacturing here? These cars are not manufactured here.

Interjections.

Mr. Speaker: Order.

3:20 p.m.

Hon. F. S. Miller: I thought I said that for example, Chrysler is giving cash rebates of between \$200 and \$1,000 on their cars; Ford is giving \$500 on their cars and light trucks; AMC is giving between \$500 and \$1,000 on their cars; and General Motors is giving low-interest-rate financing on its cars. More power to them. They have taken those measures, and I was assured the whole state of the industry depends on this. For every person on a production line making an automobile there are quite a few people in dealerships and in the service departments of dealerships who depend for a weekly living on things like commission and on things like parts and labour. If those things go up, they create immediate local spinoffs right across this province in every town.

I cannot do anything about farm machinery because there is already no sales tax on it.

Mr. Cassidy: Supplementary, Mr. Speaker: On Tuesday I asked the Treasurer if he would bring down a mini-budget to create jobs this winter, and he ducked the question and said he was going to wait until after the federal budget. Now he has changed his mind and come in with a hemi-demi-budget, which is an ad hoc measure. While welcome, it is extremely small in relation to the need to create jobs in the auto industry and in this province.

Can the minister explain why it is, however, that his position has changed so radically since his mini-budget of November 13, 1980, when he said:

"In current circumstances, measures to stimulate demand for passenger automobiles would not provide a significant enough boost to domestic employment to justify the expenditure.

"Many of the passenger cars purchased by Ontarians are produced in the United States. Conversely, our production of passenger vehicles is predominantly exported to the US. As a result, only the recovery of demand in the US will generate substantial production and employment gains for Ontario producers of passenger cars."

What has changed from November last year that the minister is now bringing this measure in to stimulate the sales of passenger cars and what long-term measures has the government got to offer in order to ensure that Ontario workers in the automobile industry will have jobs after December 5 this year?

Hon. F. S. Miller: Mr. Speaker, things have changed since I made that statement a year ago, and they have changed quite dramatically. I

think my statement tried to stress the basic problem right now is an inventory problem, and it is an inventory problem which—

Mr. Mackenzie: It was an inventory problem a year ago.

Hon. F. S. Miller: No, it was not an inventory problem to the same extent a year ago.

Mr. Foulds: What is different from a year ago?

Mr. Speaker: Order. Proceed with your answer.

Hon. F. S. Miller: Opposition members often accuse us of taking steps like this with immediate electoral objectives in mind. I would hope this time the honourable member would accept my statement when I say I really do not give away a dime right now without thinking it is going to pay off for the citizens of this province. That is why, after a great deal of consideration, a great deal of pressure by a lot of people, I have conceded that something was needed to help unplug the pipelines so they could begin to place orders and so that they would survive. I did not want to see a non-North American dealer network left intact while the North American market was destroyed.

Mr. Ruston: Supplementary, Mr. Speaker: The Treasurer's rebate applies to imports as well as North American cars and last month 37 per cent of the cars sold in Canada were imports. Why did he not use a system where he based the amount of rebate on the improvement in the gas consumption of an automobile and then only allow those improved cars to be tax-free? This was the system they had in the United States which I brought to his attention over a year ago. Why did he not use that system so that we are not paying all this money back to imports?

Hon. F.S. Miller: Mr. Speaker, there are two reasons, and I think I pointed out the first one to the Leader of the Opposition when he started the question—that is, that the carryover problem just does not exist to any real degree for the imports.

Mr. Ruston: They flooded the market with Japanese cars.

Mr. Speaker: Order.

Hon. Mr. Miller: It only applies to 1981 models. They happened to have moved their stock.

Mr. Ruston: They have been coming in since July.

Hon. Mr. Miller: I am talking about the ones they have. I told the members one ninth of the

inventory is imported and roughly 30 per cent of the market is imported; therefore eight-ninths of what is out there plugging up the pipelines is North American.

The second reason is that it is my understanding, and I am not an authority on law, that those kinds of measures have been ruled invalid by the courts of Canada and that we are not able to enforce them. If I could, believe me, I would not give away one penny on an imported car.

Ms. Copps: Then don't do it. Don't do the program.

Hon. F.S. Miller: I can't.

Hon. Miss Stephenson: He can't avoid it.

Mr. Smith: It's a useless gimmick and you know it. It is going to cost us \$20 million and does nothing for manufacturing.

Mr. Speaker: Order, order.

UNEMPLOYMENT

Mr. Cassidy: Mr. Speaker, my question is for the Treasurer. We are facing very serious times in this province right now. On Tuesday, the Treasurer bragged about what he said was a—

Interjections.

Mr. Speaker: Order please. I would caution the members of the official opposition. Their leader has had the two questions to which he is entitled. Now let us show some respect for the leader of the New Democratic Party.

Mr. Cassidy: Thank you, Mr. Speaker. On Tuesday when the Treasurer was bragging about the economy, he overstated the number of jobs that have been added in Ontario in the past year by 17,000 jobs and he ignored the fact there are 323,000 people in this province who are out of work now. That is an increase of 60,000 since a year ago.

Today we have learned about the layoffs at Canadian Admiral and we have learned about the shortfall, the reduction in sales in the automobile industry of 1982 cars. Can the Treasurer say what the government now intends to do to provide jobs for the 60,000 more people who are unemployed today than a year ago?

Hon. F. S. Miller: Mr. Speaker, I think the member is referring to the month of September because I do not think we have seen October's figures yet. When the statistics came out about the 60,000 increase in the unemployed, particularly in the labour market, as I recall there was a 62,000 increase in the total number of people available for work in September, 1981, over September, 1980, with 2,000 more jobs in that

month, so there was a net increase in unemployment of 60,000.

It was qualified in the notes I got. It said that of all the months of the year the most difficult to get accurate statistics for is that particular month as the school year begins. Very often retroactive changes are made in all the figures. Now that does not mean that my figure of 129, which I used and you say is wrong; that is the recollection I had. I will go back and check it in case my memory was wrong.

It does not mean that will not be increased or decreased. It does not mean the total number of people available for work will not be increased or decreased. Traditionally, the October figures tend to stabilize that and I am waiting within the next three or four days with some interest to see what they have been.

I would dearly love to think there are more people at work than last year, again in October. I suspect it has been a tough month and I am showing very real concern, as the member is. That is why some of these measures were taken today.

Mr. Cassidy: Is the minister telling us he expects a retroactive change in the layoff notices to the workers at Canadian Admiral? Is he suggesting there will be a retroactive change for the thousands of workers in the automobile industry in Windsor, Amherstburg, Chatham and right through southwestern Ontario who have been on layoff, in some cases for months?

What specific measures does the minister have in mind? What does he intend to do specifically for the 133,000 young workers, 16,000 more than a year ago, who are currently on the streets of our province without work? Will the government bring in a works program to put young workers back to work this winter?

Hon. F. S. Miller: I am sure the leader of the New Democratic Party and I would not disagree on the ends we are both trying to achieve. What differentiates all parties is how to get there.

I think the member would have me decree by fiat there shall be employment. It does not work that way. What we are trying to do first is counter some of the negative things our federal government has done in terms of attitudes towards this country as a place in which to invest. We have a major task there. We do our best in this province to create the most important of all the ingredients, the impression of confidence in a government so that one says, "We can make an investment there and we will be safe." Our federal government has not done too much to reinforce that lately.

Second, through the BILD program and a number of other initiatives, like the grants to Ford a year ago and the grants to Volkswagen, we are doing our best to help compete with foreign locations and we will continue to do our best. We are trying hard, as the member knows, to upgrade—

Mr. Cassidy: You ship the resources out and bring in unemployment.

Mr. Laughren: Tell us about those.

Mr. Martel: You have sold our resources which are the basis for making it better.

Hon. F. S. Miller: It is never good enough. We are doing our best to make things better.

3:30 p.m.

Mr. Mancini: Supplementary, Mr. Speaker: Since the Treasurer has announced his government will undertake this \$20-million program, I would like to ask whether this is going to preclude his taking further action after the federal budget has been introduced? Can we still expect at least a mini-budget, or better yet, a comprehensive economic package to try to stimulate the economy of Ontario and to protect home owners, small businessmen and farmers?

Hon. F. S. Miller: I have been asked that question both inside and outside the House. Nothing I have done today would preclude me from having any options open. What I did today was something which would help people about a week or so before the federal event and which was completely in my domain—sales tax is. No matter what some sceptics may say, the dollars given away by a government on any form of sales tax rebate program are dollars consumers trust. They have had very real effects.

The whole problem with the Canadian economy in terms of the drop in big-ticket demand is largely related to drops in consumer confidence quite properly about their job security, confidence about all kinds of things. If a person read the papers each day or looked at the media, it would be pretty normal for him, if his job depended upon a manufacturing entity, to say, "Is it safe?"

Some things can change that direction, and in the past, believe it or not, sales tax programs have had some influence.

Mr. Cooke: Supplementary, Mr. Speaker: In the mini-budget last year the Treasurer, speaking about the auto industry, stated, "A large-scale review of the industry's prospects and problems is now under way to determine what

more Ontario can do to secure the industry's longer-term future." The ministry's review is completed; it gives a devastating prediction; it has now been complicated and made worse by interest rates. When is this government going to introduce a long-term strategy to build a healthy automobile sector in this province, rather than using the ad hoc approach of a grant here, a grant there, a dropping of sales tax here? There never is anything that provides for long-term development of the auto industry.

Hon. F. S. Miller: Mr. Speaker, as I said to the honourable member's leader a moment ago our objectives are the same. But I would argue with the member that the kind of comprehensive planning that traditionally his party would support is not the kind of planning that works.

Interjections.

Mr. Speaker: Order.

Mr. Cassidy: You've made a mockery of ad hockery.

Hon. F. S. Miller: A mockery of ad hockery? You've got a future somewhere, Michael.

Mr. Foulds: Too bad you don't.

Hon. F. S. Miller: As long as I'm here, I am in my future.

Interjections.

Mr. Speaker: Will the Treasurer respond to the question, please?

Hon. F. S. Miller: Mr. Speaker, they are testing my vocabulary today.

Mr. Speaker: Address your remarks to me, then.

Hon. F. S. Miller: You are much better looking. Thank you; I have said enough.

CANADIAN ADMIRAL

Mr. Cassidy: Mr. Speaker, I have a new question to the Minister of Labour with respect to the dismissals or whatever has happened with the workers at Canadian Admiral.

The workers at Canadian Admiral have yet to receive either notice of layoff or separation slips; yet the agents of the bank, Coopers and Lybrand, are demanding they sign a waiver that absolves the company of any further financial obligations to them in return for being paid three days' wages for the time they worked this week.

Will the minister investigate the legality of this tactic and the propriety of the means by which this shutdown was engineered? I will send to him this document called "Assignment," which the workers were being asked to sign

before they could get their pay for this week. It says, "I hereby irrevocably nominate the assignee as my agent and authorize the assignee to take whatever steps the assignee may see fit to collect, obtain or enforce payment of the assigned claim."

What on earth does this mean, and why are workers being asked to abandon any claim they have to wages, and goodness knows what else, in return for only three days' wages?

Hon. Mr. Elgie: Mr. Speaker, I can only tell the honourable member that my staff are in touch with the receivers and are having some meetings and discussions with them. I certainly will explore the information the member has. It is not in my possession yet, but I certainly will be pleased to explore it.

Mr. Cassidy: Mr. Speaker, will the workers at Canadian Admiral receive any form of severance pay? What kind of claims will they have on the company if it is bankrupt? And does the situation not illustrate the necessity of controlling layoffs and plant closures along the lines the New Democrats proposed in this House some time in the past year, which measures, however, were blocked by the Conservatives in the Legislature.

Hon. Mr. Elgie: Mr. Speaker, if the honourable member is really suggesting there was sound reason to believe that one should block companies from going into bankruptcy, I think that is an unusual step and I do not know many people who would take it seriously.

With regard to the issue of severance pay and termination pay and the legality in this situation, certainly that is something I will explore in the particular circumstances. As a general rule, the member knows quite well that those two matters would take their place in the line of creditors as preferred creditors. I would have to explore this particular case to know exactly what is happening.

Ms. Copps: Mr. Speaker, how many more examples of this type of situation involving layoffs are we going to have before the minister will respond to an opposition demand that the select committee on plant shutdowns be reconstituted so we can consider some other options, instead of leaving these workers in the dark as to their future and their severance pay rights?

Hon. Mr. Elgie: Mr. Speaker, the honourable member knows full well that we have in place in this province one of the most advanced layoff procedures anywhere in North America. Everybody acknowledges that. The member for

Hamilton Centre does not want to, and neither does her party, but privately they know that to be so.

Mr. Mackenzie: Mr. Speaker, can I ask the minister why it is always the workers who are the bottom people on the totem pole? We have asked this minister before when we were going to see action to take care of workers in terms of bankruptcies or plant closures, and it is not happening. The workers are the last ones who get paid, while the bankers are protected with whatever assets are there. Will the minister tell us what has come of his promise to intervene with his federal counterparts in terms of changes in the bankruptcy legislation?

Hon. Mr. Elgie: Mr. Speaker, the honourable member knows full well that under the present Bankruptcy Act secured creditors are secured creditors and that wages have been listed under that legislation as preferred creditors. He also knows full well, because we have had numerous discussions and correspondence about it, that I have indicated to the minister in Ottawa my view that he should give serious consideration to altering the nature of the positioning of wages in bankruptcy legislation. He knows that already. I sent him a copy of that correspondence many months ago.

GRANT TO RACING CAR OWNER

Mr. Mancini: Mr. Speaker, my question is to the Minister of Industry and Tourism. The minister will recall that some 17 months ago he promised that the taxpayers' \$15,000 investment in one Moe Carter and his automobile, which failed to qualify for the race in Le Mans for which the money was given, would be returned.

I quote the minister's words of June 16, 1980: "I hope to have the cheque back in our hands shortly after the team returns, which I understand is tonight or tomorrow morning." I further quote: "I am so sure that we will get the \$15,000 back that, if we do not, maybe I will take the case myself." On June 19, 1980, the minister stated, and I quote: "We may even have the cheque today; one can never tell."

I want to know from the minister why the \$15,000 has not been returned and when we are going to ask this former Conservative candidate to refund the Treasury.

Hon. Mr. Grossman: Mr. Speaker, I hope the member really read Hansard very carefully that day he just recited. If he did, he would remember that the grant was not made to the gentleman who ran against the member's leader at one

time but rather to a firm called Descon Industries. Descon has acknowledged some responsibility to the ministry. My staff has been working with Descon to find a way to recompense the government and the ministry without bankrupting the company.

Without going into too much detail, it really would be oppressive for us to be unrealistic in enforcing payments. My people are working on it. Descon is co-operating at the present time. We hope to have something soon.

3:40 p.m.

Mr. Mancini: I fail to understand why 17 months ago the minister said things like, "We are going to get the money immediately, and the cheque is going to be returned to the Treasury." He stood up in the House and gave the impression that he was taking strong action and the \$15,000 was going to be returned to the Treasury. That is his exact quote. I want to know from the minister what has changed from 17 months ago until today? Why has his attitude changed towards Moe Carter and his refund of the \$15,000? That is what we want to know.

Hon. Mr. Grossman: I say to the honourable member that I have to face important questions in this House that take a lot of time, be it Massey-Ferguson or Chrysler Canada, which is in the member's area—there are a lot of auto firms and a lot of employment in his area. We spend a lot of time on those things.

In many instances, sometimes at the member's request, where the Ontario Development Corporation has provided financial assistance, this government has to write off arrears of interest owed. When people default on ODC loans, rather than putting the company out of business and sending in the receivers, we often write off part of the loan and keep the company going.

In those instances, there is no question we have enough securities to take over all the assets, as happened with Coopers and Lybrand and Canadian Admiral. We are the government, we are a development corporation, and in those circumstances we think it is important to act a little differently. We do not roll in and seize assets and put a company out of business just to solve these major problems.

When it comes to minor problems, while other members of this House asked about other matters of state—a diesel plant and things like that—the member happens to be concerned, as I know his leader was, about Mr. Carter and Descon. In truth, I am not about to put Descon

out of business if that is what it will take to get the member for Essex South off my back during question period.

My responsibilities are larger than that. If I have to stand here and put up with the questions of the member for Essex South, and the cost of that is to keep Descon in business, I will keep Descon in business and put up with his questions. We are going to effect a reasonable settlement that is fair to everyone.

Interjections.

Mr. Speaker: Order.

Mr. Mancini: On a point of privilege, Mr. Speaker: Surely the minister's quotes that I read to the House were in response to a question that had been put by him. He is the gentleman who informed the House that the money was going to be returned.

Mr. Speaker: Order.

Ms. Copps: Mr. Speaker, how can the minister stand in this House and talk about the possibility of Descon going into financial trouble when the minister knows full well, as do certainly the people of Hamilton, that the dealership of which Mr. Carter is the chief and principal officer is supposed to be the largest General Motors dealership in Canada?

I have a suggestion for the minister. Since he seems to have a terrific propensity for raising money, will the minister consider a collection among all the dealerships in Ontario after they have received the Treasurer's goodies today? Perhaps then we could finally write off this debt, which the people of Ontario should have received about a year ago.

Hon. Mr. Grossman: Somehow Carter always causes excitement in Hamilton, Mr. Speaker.

May I remind the honourable member that Mr. Carter was the driver. He was not the owner of Descon Industries; he does not own shares in Descon. He was the driver. As I recall it, Descon Industries owned the car, and they hired a driver. The money was given to Descon Industries.

I do not mind telling the member that, if I were Descon, I would be having a couple of words with Maurice Carter. I have had a couple myself. The fact is that the liability is from that company to this government, as far as I am concerned. If the member's suggestion is that we cause extreme difficulties to Descon, I do not mind—

Ms. Copps: Because he was a PC.

Hon. Mr. Grossman: Will the member take it

easy? I do not mind her having fun with Maurice. I do not even mind her having some fun here; her leader and I have had some fun on this. But if she really wants to suggest that it is helpful to Descon, which was operating in good faith at all times, for us to drag all their affairs out here so she can have some political fun—

Ms. Copps: You don't really believe that yourself.

Hon. Mr. Grossman: Will the console operator turn that microphone off? I can hear the member very clearly.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Grossman: If she really wants to put that proposition, I am not buying it.

EMPLOYEE HEALTH AND SAFETY

Mr. Martel: Mr. Speaker, I have a question for the Minister of Labour. Is the minister aware that on September 14, at about 5 p.m., a Mr. Batista of ITT Aimco in Mississauga reported to his supervisors that the condition he was working in was unsafe, and that Mr. Companion, his supervisor, refused to conduct an investigation? This is contrary to the act, which says, "Upon refusing to do particular work, the worker shall promptly report the circumstances of his refusal to his employer or supervisors, who shall forthwith investigate the report in the presence of the worker, and if there is such, in the presence of . . ." and it goes on to indicate the number of people who would be involved.

Is the minister further aware that Mr. Companion then assigned another worker to work in the unsafe conditions and assigned Mr. Batista to work in another area? This again is contrary to section 23(5) of the act which states, "Until the investigation is completed, the worker shall remain in a safe place near his work station."

What action is the minister going to take against this company, which deliberately violates the intentions of Bill 70?

Hon. Mr. Elgie: Mr. Speaker, I appreciate the opportunity to have portions of Bill 70 read to me. I am pretty familiar with them, but I appreciate the opportunity of hearing them.

I think the member knows full well that I will take his question as notice and review the case. But if questions such as this about particular cases are to be put to the Minister of Labour, he really should have some advance notice if the person seriously wants an answer. If not, then I can simply say I will take the question as notice and return an answer to the question.

Mr. Martel: I wrote the minister on this item in September, and in October I wrote him two further letters. I still have no response. If the minister wants to play that kind of game with no notice, he knows he has it.

Hon. Mr. Elgie: I have received many letters from that member. If he expects that I keep a record of them all here, I do not.

Mr. Martel: The minister said he had no advance notice, when he has had.

Interjections.

Mr. Speaker: Order.

Mr. Martel: Is the minister aware that on the day in question one of his inspectors, Mr. Dyson, went to this plant to investigate the complaint, and when he found the proper plant procedure had not been followed he refused to investigate the situation?

In the words of the union representative, "Dyson used the rather technical excuse that because an initial investigation was not first jointly conducted by a representative of the worker and a representative of management, he refused to conduct it and the workers continued to work in those unsafe conditions."

Can the minister justify an inspector going to a plant and, because some procedure has not been followed, he refuses to investigate it? Or is he going to put an end to that sort of nonsense?

Hon. Mr. Elgie: I will take the question as notice and respond.

3:50 p.m.

Mr. Martel: While the minister is looking at this, might I ask him, if management refuses to establish the proper committees or to conduct the investigation according to the act and, if the minister's investigators are not prepared to investigate a site that is considered unsafe when they are there, what action should the workers take or, better still, what action will the minister take to ensure that Bill 70 is applied and that this company is prosecuted for its violations?

Hon. Mr. Elgie: The obligations of the ministry, of the inspectors, of workers and of management are clearly outlined in Bill 70, and we expect them to be followed. The honourable member knows full well that in those situations where, for example, health and safety committees have not been set up, either there have been directions that they be set up or there has been an inquiry to determine what might be the appropriate number and type of health and safety committee to be set up. There is no reluctance in this ministry to deal with matters

that are presented.

TAX GRANTS FOR SENIORS

Mr. McKessock: Mr. Speaker, I have a question for the Minister of Revenue. I have copies here of 11 letters consisting of one day's problems addressed to his ministry from my constituency office. Is the minister aware that he has a huge volume of frustrated senior citizens out there trying to figure out and receive their correct property tax rebate and sales tax cheque?

Is he aware that he is wasting his money advertising a telephone number that is always busy? Is he aware that seniors who turned 65 years of age since January are now receiving the second half of their rebate cheque with a letter saying they received their first cheque last spring, a cheque they did not receive because they did not apply until September?

Hon. Mr. Ashe: Mr. Speaker, I am aware of some of the issues the honourable member is referring to in a specific sense; for example, those people who turned 65 in the first half of this year. I think I alluded to this last week in the House when I read a statement in which I acknowledged that problem. There was a computer error which we found after the fact and had already started to correct before we had the many responses, and I did acknowledge many responses from seniors.

Without going into a technical explanation, since I am not a computer analyst or specialist by any stretch of the imagination, somewhere in the system the computer picked up a previous payment that had not been made. As a result, the cheques to those people who did turn 65 in the first half of the year did indicate they got a payment which they did not get. We are already in the course of rectifying this, and all the corrected statements and cheques will be going out to those seniors on or before next Monday.

Mr. J. A. Reed: What does that do to your 99 per cent track record?

Hon. Mr. Ashe: It is very easy to criticize something. When one considers that we have handled cheques in the magnitude of 1.4 million—

Mr. Smith: The whole thing was unnecessary in the first place. You did it for publicity.

Mr. Speaker: Order.

Hon. Mr. Ashe: Mr. Speaker, I can tell you that there are hundreds of thousands of seniors in this province who do not share the inaccuracies shared by the Leader of the Opposition. That is not the case at all.

Mr. Smith: On a point of privilege, Mr. Speaker: The record will show that seniors have always received money of this kind and that it would have been received with their rebates from the federal government and the computer in Ottawa. All these new cheques, at a cost of \$3 million a year, were added as unnecessary accounting expenses. The seniors would have got as much money in other ways. This was done simply so the logo of Ontario would be on the cheque for political benefit.

Hon. Mr. Ashe: Mr. Speaker, that is a simplistic observation which I do not agree with at all. There is no doubt that there were many benefits to the seniors of Ontario in the new property and sales tax grant programs. They gave more money to more people faster than under the previous system. There is no doubt about that issue whatsoever.

As I acknowledged before, when we are handling 1.4 million cheques to a variety of people and when one considers the mobility and the changing statistics, which literally change every day with new people becoming 65 years of age, people relocating and, yes, people dying, it is very difficult to keep a list that is accurate for more than a matter of hours. I think my ministry has done exceedingly well in this program.

In the sales tax grant program, we have had an error rate of basically one tenth of one per cent. I think that compares very well to any program ever put on by any government in this country.

Mr. McKessock: Since the Treasurer spoke today of being careful about giving away money, is the minister aware that there are seniors out there who are still working and drawing a pension from previous work and from the Canada pension plan, and that the government is giving them \$500 to help pay their taxes plus \$50 to help pay their sales tax?

In view of all the problems associated with the rebate program, does the minister not feel that he would be better off and that the people would be better off if he forgot about the rebate program and added an extra \$50 monthly to the guaranteed annual income system cheque?

Hon. Mr. Ashe: I would like to know if the member is actually putting on the record in this question his opposition or his party's opposition to the grant program we have in effect in this great province. It would be very interesting to know if that is exactly what he is saying, and I hope he will have the opportunity in a supplementary question to put that on the record.

Again, I realize it is always very easy to come

forth with some simplistic answer. Rightly or wrongly in the view of the members opposite, this government recognizes, through the property tax grant and sales tax grant programs, that the efforts and contributions to this country and this province of seniors reaching the age of 65 should be recognized regardless of their financial situation, regardless of their other situations and without their having to prove any other abilities.

We make no apologies for that program. It is working, and I want to know what the members opposite think.

Mr. Foulds: Mr. Speaker, I would like to ask the minister whether it is true that he and his government were so anxious to have high visibility and to be seen handing out the cheques directly that he prepared the system inadequately in the first place; that the number of cheques he had to send out was so great that he simply could not do it; that, as my colleague the member for Nickel Belt (Mr. Laughren) pointed out, he has had to devise a special complaint and inquiry form to handle the number of complaints and inquiries he is getting from seniors who are not receiving their cheques; that when you phone the special number you cannot get it, and most our of constituency offices are receiving 30 to 40 calls a day on this matter alone—

Interjections.

Mr. Foulds: Will he not agree—

Interjections.

Mr. Speaker: Order, order. The member for Port Arthur has the floor with a supplementary. Proceed.

Mr. Foulds: Will the minister not agree that he has completely and irrevocably fouled up the program? Will he tell us when he is going to get the program in order on time so that senior citizens are not given the expectations his government gave them and then disappointed in those expectations, as he has so bitterly disappointed them?

Mr. Speaker: The minister will answer briefly, please.

Hon. Mr. Ashe: I have a very simple answer, Mr. Speaker. The answer is no.

Mr. McKessock: On a point of privilege, Mr. Speaker: The minister tried to interpret my question as being against giving money to seniors. I hope the minister will take it that I was pointing out a more efficient way to run the program, which would put more money in the hands of the poor and provide savings for the

government.

4 p.m.

LAND ASSESSMENT

Mr. Di Santo: Mr. Speaker, I have a question for the same minister, the Minister of Revenue.

The minister is aware that the city of North York has been trying to collect property taxes from the four oil companies that hold land in the Finch and Keele area. He minister knows that this has been going on for 15 years and that those companies are paying \$110,000 less than they would pay if they were assessed like all the other home owners in North York.

Is the minister willing at this point to amend the Assessment Act or, alternatively, to accept my private member's bill or a private bill from the city of North York which would help to solve the problem?

Hon. Mr. Ashe: Mr. Speaker, the answer to the first question vis-à-vis the Assessment Act is no. Let me say very briefly, without going into great detail, because I am sure that will come up in the debate on that particular bill next week, that there are many farms and farming operations of significant size which are legitimate in their nature and operation in this province and which have designated zoned land uses that are different from agriculture.

Many municipalities, as a matter of fact, in conjunction with the implementation of an official plan, put zoning on the property even though land use may not change for many years ahead. There cannot be a blanket type of change at all. This is a significant percentage; so the answer to the first one is no.

Vis-à-vis the second question about his own bill, which was, "Will I be supporting it?" the answer again is no.

As regards the third question, about the private bill being proposed by the city of North York, I have indicated to others, and I am quite pleased to indicate here now, that when I have a look at the bill and see what they are proposing, we will have a serious look at it and determine the appropriate course of action at that time.

PETITION

ONTARIO NURSES' ASSOCIATION

Mr. Breagh: Mr. Speaker, I have a petition that will be of particular interest to the Minister of Health (Mr. Timbrell) and the Minister of Labour (Mr. Elgie).

I want to present this petition on behalf of Local 51 of the Ontario Nurses' Association,

protesting the length and design of the arbitration system and asking for alternatives to it.

I want to inform the House that I am presenting this on behalf of myself and the member for Durham East (Mr. Cureatz).

MOTIONS

COMMITTEE SUBSTITUTION

Hon. Mr. Gregory moved that the following substitution be made: on the standing committee on administration of justice, Mr. Elston for Mr. Wrye.

Motion agreed to.

[Later.]

Mr. Ruston: Mr. Speaker, apparently I goofed on the motion. I was under the impression by advisement of someone in the Clerk's office yesterday, and I might have misunderstood him; but apparently the motion should have Mr. Bradley replacing Mr. Wrye.

In case you want a new motion, I can do it.

Hon. Mr. Gregory: Mr. Speaker, I wonder if you will allow us to withdraw that motion and change it. If you will accept it in its present form today, I will be glad to present it again in that form.

Mr. Ruston: It shows anybody can make a mistake.

Mr. Speaker: That is a rather involved process, but—

Mr. Martel: Give it back to him.

Mr. Speaker: You're right. I do not hear any objections. We could give it back to him and let him start over again.

Mr. Martel: You didn't do so well after all, Bud.

Hon. Mr. Gregory: Mr. Speaker, I withdrew the first motion so that we could change it. Can I—

Mr. Speaker: Why don't you just get it back?

Hon. Mr. Gregory: Can we do it verbally? It has to be done today.

Mr. Speaker: We will substitute the name "Bradley" for "Elston."

Hon. Mr. Gregory moved that the following substitution be made: on the standing committee on administration of justice, Mr. Bradley for Mr. Wrye.

Motion agreed to.

ESTIMATES

Hon. Mr. Gregory moved that the following

changes be made in the sequence and location of estimates consideration in the committee of supply: Lieutenant Governor, Premier and Cabinet Office be taken third; Intergovernmental Affairs be taken fourth; and Revenue be taken fifth; and that Natural Resources be transferred to the standing committee on regulations and other statutory instruments with the committee authorized to sit Monday nights, Thursday mornings and Thursday nights.

[Later.]

Mr. Speaker: As required by standing order 47(a), Mr. Gregory's motion will require the unanimous consent of the House. Do we have that consent?

Agreed.

Motion agreed to.

INTRODUCTION OF BILLS

EDUCATION AMENDMENT ACT

Hon. Miss Stephenson moved, seconded by Hon. Mr. Welch, first reading of Bill 164, An Act to amend the Education Act.

Motion agreed to.

Hon. Miss Stephenson: Mr. Speaker, this is a general omnibus bill containing routine but necessary items of administrative legislation required to clarify existing provisions of the Education Act to bring it into line with legislation enacted by other ministries and to ensure consistency between legislation and regulations. The amendments have accumulated over the past several years.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Gregory: Mr. Speaker, before the Orders of the Day, I wish to table the answer to question 174 and the interim answers to questions 169 and 173 standing on the Notice Paper. (See Hansard for Friday, November 6.)

4:10 p.m.

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS

ELECTION FINANCES REFORM

Mr. McClellan, seconded by Mr. Stokes, moved resolution 20:

That, in the opinion of this House, the government recognizes that the Progressive Conservative Party of Ontario, many of its candidates and its constituency associations spent inordinate amounts of money during the

last general election thereby seriously undermining the integrity of the electoral process, and that in order to correct this undemocratic development, this House directs the Commission on Election Contributions and Expenses to proceed immediately under sections 4(1)(d) and (f) of the Election Finances Reform Act. Specifically, the commission should investigate expenditures by parties, candidates and constituency associations with a view to recommending amendments to the said act to set spending limits for future provincial elections.

Mr. Speaker: I remind the honourable member that he has up to 20 minutes for his presentation and may reserve any portion of it for his windup.

Mr. McClellan: Mr. Speaker, if I could, I would like to reserve about four minutes for my windup.

I think this is an important and necessary resolution at this period in time. I should say at the outset that I do not have any particular axe to grind with respect to my own constituency and the spending of the Progressive Conservative Party in that riding. As far as I am aware, the Progressive Conservative Party has ceased to exist in the great riding of Bellwoods and has yet to file a return from the last election. So I am not aware of what the actual expenditure in Bellwoods was but it was, let me say, indiscernible, as was the campaign and as was their vote.

But in other parts of the province, such was not the case. The party as a whole spent \$8.1 million. The point I want to make in my speech is that most of that is public money. The Premier (Mr. Davis) does not seem to understand that when we passed the Election Finances Reform Act before the 1975 election, we accepted the principle of public subsidization of election expenditures.

We give a cash contribution in the form of a rebate to every campaign that achieves 15 per cent of the vote, and everybody seems to understand that. They get a cheque from the Treasury of Ontario if they get 15 per cent of the vote to help pay for the costs of their campaigns. But they seem to conveniently ignore the fact that every contribution is also subsidized through the tax credit system.

I will come back to that point, but when we are talking about the amount of money the Progressive Conservative Party spent in 1981, let us remember that a good portion of that \$8.1 million was public money.

Mr. Eaton: Because somebody chose to give a donation.

Mr. McClellan: That is right, and we will come back to that. People donated to it and, as the honourable member says, they chose to make the donation. But when they made the donation they received a subsidy for that donation in the form of a tax credit. That was money paid from the public to the contributor in the form of a tax credit; so it is relevant—

Mr. Eaton: The same applies to the people who donated to your campaign.

Mr. McClellan: Absolutely. But it is relevant to raise the question of what is done with public funds during an election campaign, and that is what this debate is about.

It is important to remember the background of the provincial legislation. It followed the federal Election Expenses Act, which came out of the 1972-74 minority government in Ottawa. The motivation of the federal act was quite simply a concern for democracy.

I have had the opportunity to read those debates and, just to refresh some memories, the federal Election Expenses Act was brought in at the insistence of the New Democratic Party, with the full approval of the Liberal government of the day. It was an expression of a concern that had been felt for many years, that election disclosure was an important principle of democracy and that election expenditure ceilings were an equally important principle of a genuine democracy.

As I said, I went through the debates. The most succinct expression of the concern that was voiced by members of all three parties in Ottawa was put by Mr. David Lewis. I want to quote what he said during the second reading debate of the federal act:

"Why have we wanted this sort of bill? I suggest to you that there are three overriding objectives that genuine democrats of whatever political allegiance have always had in mind. The first is that elections ought not to be the property of those who can get the largest amount of money somewhere at election time, that elections ought not to be bought by large amounts of money by parties in the democratic process, and this is what has happened in the past.

"The second objective that all democrats of whatever political allegiance have had is that candidates ought not to be discriminated against because they themselves have not the funds or are not in a position to collect the funds to fight an election in this modern age of electronic media, which are very expensive.

"The third and perhaps most important objec-

tive which everyone has in mind is that the people of a democracy are entitled to know the sources of funds which political parties and political candidates used at election time and between elections."

Those were the three important principles of the federal Election Expenses Act. As I said, it was supported by all three political parties.

As a matter of fact, during the second reading debate one of the speakers said there should be more stringent expenditure ceilings, and he argued very persuasively that the federal expenditure ceilings were too generous. The speaker said:

"There is a tremendous difference between a ceiling of \$26,250 per candidate and one of \$10,000." He was arguing for a ceiling of \$10,000; this was in 1973. "I think this is a very important change, because it would enable the very best people in the country, particularly young people with great ability but limited means, to present themselves as candidates for Parliament.

"Also, it would improve the type of campaign indulged in. It would require all candidates to campaign personally to let the voters see them and assess them. The candidates would need to go from door to door, hold small meetings and generally let the voting public see who and what it is voting for."

That contribution to the debate in 1973 was by the Honourable George Hees, not unknown to the members opposite. The same arguments precisely were made by the Honourable Flora MacDonald and by many other members of the federal caucus of the Progressive Conservative Party. Many of them argued that the expenditure ceilings should be more stringent than they were under the draft legislation.

There is an important contrast between the democratic sentiments that motivated the federal legislation and the origin of our own provincial legislation, which was the Fidinam affair and the activities of a certain Mr. Kelly in the employ of the Progressive Conservative Party.

The reason we had the provincial Election Finances Reform Act was not to make the electoral process more open and democratic but to put the lid on a fairly serious political scandal that involved the way the Conservative Party was funded by a relatively small number of big donors.

As a result, we had an act that dealt with the problem that had led to the scandal, an act that required the disclosure of contributions and

limited the size of contributions. The act, fortunately, accepted the democratic principle of subsidization, but it did not accept the principle of expenditure ceilings, and that has got us into the dilemma we witnessed in the most recent provincial general election.

I want to go back to the fact that we are talking about the use of public moneys. Seventy-five per cent of each donation up to the first \$100 is subsidized penny for penny out of the public Treasury. For every \$100 that a person donates freely to the political party of his choice, he gets back \$75 in cash; and 50 per cent of each cent that is given between \$100 and \$500 is likewise given back in cash when he goes to pay his income tax. The member knows how it works.

Mr. Eaton: They take it off; nobody gives it back to them in cash.

Mr. McClellan: Well, that is a mighty fine point, is it not? The member is trying to pretend that it is not coming out of the public purse because of the mechanism of a tax credit. Well, it is public money, and it is obvious to most of us in this House that the Conservative Party and the Premier and the apologists for the degree of wasted expenditure in the last campaign do not give the slightest damn about the expenditure of public funds.

4:20 p.m.

Most of the contributions under the current legislation are contributions below \$1,000. That is clear when one examines the returns. In fact, the majority of the contributions are less than \$500. The point is that for every \$1,100 of contribution, as I understand it, one is eligible for a tax credit, which is a direct deduction of \$500 in cold, hard cash from one's tax bill owing.

In addition to that, every candidate who gets 15 per cent of the vote is eligible to get a cash payment of 16 cents from the public Treasury for the first 25,000 voters et cetera—the formula continues.

We are talking about public funds. That is the principle of the legislation. When we start to look at the way the Progressive Conservatives spent money during the last election, it is legitimate to question some of those expenditures, to question the amounts that were spent by some of the candidates.

Sixteen candidates of the Conservative Party in 1981 spent more than \$50,000 in a combination of pre-election riding expenditures and campaign election expenditures. Most of that money is subsidized at a rate of either 50 per

cent or 75 per cent from the public purse; so it is legitimate for us to question the nature and amount of those expenditures totalling \$8.1 million.

If one were to take the rough rule of thumb, one could argue that at least \$4 million of the \$8.1 million was a public expenditure on behalf of the Progressive Conservative Party of Ontario. How did they spend that money? Did they spend it wisely or foolishly?

When the Minister of Agriculture and Food (Mr. Henderson) spends \$1,000 for consultants and the Minister of Education (Miss Stephenson) spends \$3,500 entertaining her political associates at a golf tournament subsequent to the election, half of that, using my rule of thumb, is paid for out of the public purse. I hope they had fun playing golf at public expense.

There was the \$4,500 barbecue of the Minister of Transportation and Communications (Mr. Snow). Again, the money was raised to pay \$4,500 for this little feed on behalf of the minister and his cronies and was subsidized out of the public Treasury. The minister obviously cannot be trusted to use his own common sense with respect to the expenditure of funds that are subsidized by the public. That is obvious, otherwise he would not have barbecued whatever he barbecued for them that cost \$4,500. I wonder what it was they were eating. Sorry, I am wrong; it was \$5,200 for that barbecue. I had it confused with another feed.

Mr. Bradley: Must have been steaks.

Mr. Stokes: You can bet it wasn't humble pie.

Mr. McClellan: I do not think they were eating hamburger either, not for \$5,200. The government House leader (Mr. Wells) spent \$8,200 entertaining members of his executive and his poll captains in his riding.

Mr. Eaton: Would you do away with the subsidy on the donations?

Mr. Bradley: Don't be silly. Just limit it.

Mr. McClellan: If it is so obvious, let me continue through this stupefying list.

The member for St. Andrew-St. Patrick (Mr. Grossman) spent \$129,000 getting himself re-elected, half of which was subsidized out of the public Treasury. Did he really have to feed his workers \$1,000 worth of snacks and munchies on election day? Did he really have to pay \$2,156 for security at his committee room? Perhaps the security was necessary, because he spent \$2,288 on carpets for his election committee room; he did not want to get the carpets dirty and so he had to have the committee room guarded by the police. This is just stupid.

The list also includes the member for St. George (Ms. Fish) with her boat cruise and the member for High Park-Swansea (Mr. Shymko) with his dinner at the Roadway Inn.

Do these people not have any sense of shame with respect to using funds subsidized by the public? Obviously they do not. Obviously there is a glaring need for expenditure ceilings in this province because of the Conservative Party's flagrant abuse of the subsidization principle in the last election. Obviously this matter should be referred to the Commission on Election Contributions and Expenses for a thorough review and for amendments to the act that would prevent this nonsense, this abuse of public funds from taking place.

The Deputy Speaker: The honourable member has three minutes left. Would he like to retain that time for the end of the debate?

Mr. McClellan: Yes, please. Thank you.

Mr. Rotenberg: Mr. Speaker, I think I can speak somewhat objectively on this matter, because I was not only one of the lower spenders for my party but one of the lower spenders generally.

Mr. Breagh: How much?

Mr. Rotenberg: I will tell the member in a moment. I do not think any limits set on total expenditures would apply to me because of my expenditures in 1981 or in 1977. In 1981, my expenditures were \$27,800, and I think the significant figure is 59 cents per voter.

It is interesting to note, since I gather the Liberals will be supporting this motion of election spending limits, that the Liberal opponent in my riding spent some \$44,200, or 94 cents per voter, compared with my 59 cents per voter. Among other things, I think this demonstrates that money cannot buy votes; nor does it win elections—my Liberal opponent was not even close.

The New Democratic Party in my riding simply disappeared in this past election.

Any spending analysis should be on a per voter basis. It is interesting to note that the member for Bellwoods, the mover of this motion, spent some \$1.47 per voter. He spent \$31,759. He spent \$4,000 more than I spent in my riding, with less than half the population.

Mr. Eaton: Holy mackerel! Oh no!

Mr. Rotenberg: Please, gentlemen, do not interrupt me.

The Deputy Speaker: Order.

Mr. McClellan: On a point of privilege, Mr. Speaker: I simply want to correct the record. I did not spend \$31,000. I spent \$16,000 and change. I cannot put my finger on the exact figure.

Mr. Rotenberg: That includes the member's riding association expenditures as well.

Mr. McClellan: I am adding those in. I spent \$16,341 on the campaign and \$458 in the riding, for a total of \$16,799.

Mr. MacDonald: The member is inaccurate again.

Interjections.

The Deputy Speaker: Order. The member for Wilson Heights has the floor.

Mr. Rotenberg: Mr. Speaker, the information I got from the Commission on Election Contributions and Expenses shows the total amount spent on that member's campaign was some \$31,000. If that is incorrect, I will check the record.

Mr. Bradley: Wrong again.

Mr. MacDonald: The member's researcher is wrong.

Mr. Rotenberg: Looking at other members of that party, for instance, the party leader's total expenditures, his riding association—

Mr. McClellan: Is my friend repeating that false information?

The Deputy Speaker: Order, please. It is my understanding that the member for Wilson Heights indicated he will correct the record if his figures are incorrect.

Mr. Stokes: On a point of order, Mr. Speaker: We are very flexible in this House about ensuring that appropriate assistance is available to cabinet ministers and those responsible for conducting legislation through this House or to a cabinet minister who needs some assistance to put his estimates before a House like this. But I really question the propriety of a back-bench member having a pipsqueak researcher in the gallery prompt him while he is speaking.

The Deputy Speaker: Order. I will make no comment in terms of the member for Lake Nipigon's referring to a person in the public gallery. But I do want to remind the member for Wilson Heights, and I think the security guards will confirm this, that all members and guests in the members' gallery are to refrain from speaking to members or having discussions over the rail. I think we should follow that procedure.

4:30 p.m.

Mr. Rotenberg: Mr. Speaker, I repeat what I said to the member for Bellwoods. I will check the research I have done and, if it is not correct, I will make the proper apologies. I am not doubting his word. Also, inasmuch as the opposition has taken some of my time on their points of privilege, I ask that that time be added to my 10 minutes.

Other members of the New Democratic Party or their leader may be entitled to spend more than \$1 per voter, as did the member for Welland-Thorold (Mr. Swart).

One of the top Liberal spenders, Mr. Pretty, their candidate in Oriole riding, spent \$1.48 per voter, for a total of \$81,000; as opposed to the elected member for Oriole (Mr. Williams), who spent \$33,000, or 61 cents per voter, less than half.

All I am trying to say is that spending a lot of money does not necessarily buy elections.

The NDP is making a big thing of this. They have looked at all the candidates and the returns in the election offices, which is their privilege. I have looked at a few of the NDP returns. There is nothing illegal or improper about anything the New Democratic Party has done, just as there is nothing illegal or improper about anything anybody else has done.

The returns I looked at, and there were only a few of them, are somewhat hard to analyse. They have a lot of what is known in the trade as \$99 contributors. A lot of their money comes from people who contribute less than \$100. We do not know who they are, and there is nothing wrong with that. Also, they have a lot of transfers to their ridings from the central party, which again is quite in order, but—

Mr. Foulds: On a point of privilege, Mr. Speaker: The honourable member has it wrong again. There are no transfers from the central office to our riding associations. It is the other way around. We finance our party from the grass roots, from the bottom up, and the riding associations transfer the payments so we can—

Interjections.

The Deputy Speaker: Order. Under the standing orders, there is the opportunity under section 19 in regard to allegations, and possibly we will accept that from the member for Port Arthur. However, the member for Wilson Heights still has the floor.

Mr. Mackenzie: On a point of order, Mr. Speaker: I just want to make a note that in three provincial and two federal elections, I have never had a \$99 contributor yet.

Mr. Rotenberg: I am sure the honourable member has had some under \$100, though. I have noticed the NDP members are quite sensitive today. It is very interesting.

Interjections.

The Deputy Speaker: Order. I want to bring to the members' attention that the member for Wilson Heights has the floor. However, I want to remind the member for Wilson Heights that if he is overly provocative, it will be difficult to carry on a reasonable semblance of order in this debate.

Mr. Rotenberg: Mr. Speaker, after considerable discussion by the member opposite about the things some of our party members did, there is no intention whatsoever on my part to make any false accusations or allegations about any member of this Legislature.

Let us get around to the point of the motion, that there should be spending limits such as the federal government has. The federal government spending limits are a joke. It is very simple for any person to get around the federal spending limits. Before the writ is issued, one may go to the printer, order printing and pay for it.

Any money that is spent before the writ is issued, in the federal government legislation, does not count. If somebody wants to spend more than the limit, he can simply spend it before the writ is issued and it is not part of the spending limit. That is not going to solve the problem.

Why is the NDP so hung up on money? Because they do not get it, they do not have it and they cannot collect it. Several weeks ago, when their leader was at a press conference, he was asked a simple question: "If the NDP had more money, would they spend it?" The leader answered, "Yes, happily and gladly." If they could get the money, they would spend it. Because they cannot collect the money, they do not like the rules of the game. Because they cannot get it, they want to take it away from somebody else.

As far as I am concerned, as long as there are limits on each individual contribution and as long as there is full disclosure of the contributions, there are no problems. As long as there is full disclosure and limits so that no one person at any time can come to a candidate or elected person and say, "Hey, I gave you so much money so you owe me." There is not that much money available, but if there is full disclosure of donations of money, should there not also be

full disclosure of donations of the time people give to a candidate? Supposing, Mr. Speaker, I want to send out a pamphlet to my riding and someone donates \$100 to me—

Interjection.

Mr. Rotenberg: Are you allowing me the time that the member took away from me, Mr. Speaker, on the points of privilege?

The Deputy Speaker: I want to point out to the member for Wilson Heights that the chair has to use its discretion. I want to remind him that in my estimation he was extremely provocative in some comments back and forth. It is difficult to assess time in regard to points of privilege, no matter who made them.

With regard to the time I am taking, I will add that as part of the member's time.

Mr. Rotenberg: Is the Speaker adding all that to my 10 minutes so I do not get time to speak?

The Deputy Speaker: Carry on with the debate.

Mr. Rotenberg: How much time do I have left, Mr. Speaker? I have only spoken for about three minutes.

The Deputy Speaker: A minute and a half.

Mr. Rotenberg: Mr. Speaker, very briefly I want to say that if someone donates \$100 to me, it is going to buy close to 700 15-cent stamps which will cover maybe about four polls if the postman delivered the pamphlets. If the person wanted to spend the 12 to 15 hours himself going out and distributing them that is the same type of donation. I personally value far more the man who donates 12 or 15 hours of his time to me, which they do for \$100, than those who donate \$100 to me. I do not owe anything to anybody who donates, but if I did owe to anybody I would owe far more to the person who donated 12 of 15 hours to me than a person who simply donated a \$100 cheque. That is so much easier.

The third party, as I said, have gone out and examined all the returns. They have found no improprieties whatsoever in any candidate. They have not found any sign of any evidence that any member of this House, or any candidate violated the law. There is no suspicion whatsoever, but the New Democratic Party is spending all its time analysing numbers.

There is an old sports adage which goes: Celebrations are for winners; statistics are for losers. There is no question in my mind that they are losers in the election and they are acting like a bunch of losers in this debate.

Mr. Bradley: Mr. Speaker, I rise to speak in very strong support of this resolution. I think it is somewhat mild, somewhat reasonable and should be able to attract support of some of the members on the government side if they are going to be independent-minded during the private members' hour. That is unlikely but perhaps it will spread to the back benches. For instance, we have seen the member for Leeds (Mr. Runciman) show some independence earlier in the day, as did the member for Humber (Mr. Kells) on Tuesday night. So perhaps it will spread to the back benches.

I asked a question in the Legislature of the Minister of Intergovernmental Affairs (Mr. Wells) and I indicated at that time I thought the democratic process in this province was being somewhat subverted by the use of money in election campaigns. I attempted to elicit from the minister a promise that the government would give consideration to the introduction of legislation which would deal with limitations on expenditures for campaign purposes.

Unfortunately, the minister indicated the government was not prepared to do so. Subsequent to that, the Premier (Mr. Davis), on October 13 I believe, was asked as a result of my question in the House whether the government intended to bring forward such legislation. He indicated the government was not prepared to do so.

This to me is very unfortunate, because as I pointed out during the question to the Minister of Intergovernmental Affairs, the government already has many built-in advantages when it heads into an election campaign. First we saw the marvellous advertising program that took place. In the year just prior to the election we saw some \$24 million of identifiable government advertising used to provide information to the people of Ontario. But I think it was used more to make this government appear in a rather favourable light. Some of the advertisements, as we know, were rather blatant such as: "Life is good in Ontario; preserve it, conserve it," and "because Ontario cares we have a grants program for the seniors." This kind of blatant advertising was justifiably criticized by those of us in the opposition. However, it was allowed to continue.

The government also used members of the civil service when they announced the big Board of Industrial Leadership and Development program. They had the advantage of the

advice provided by senior members of the civil service to cabinet ministers in the formulation of policy and so on. That is a built-in advantage.

4:40 p.m.

In addition to this they have the ability to make appointments and to exercise the levers of power in an appropriate fashion. Because of these advantages—and I could list many more that the levers of power allow a party in power—I think this party in power would be pleased to see that, at least during the election campaign, there would be some degree of fairness.

When we see the kind of campaign contributions we have seen the suspicion arises—whether it is justified or not in some cases is difficult to say—that somehow government policy is influenced. I do not wish to create the impression there is wrongdoing in a particular case, and I want members to know that.

The member for Middlesex (Mr. Eaton) wags his head. He cannot discuss these matters on a nonpartisan basis at all, can he?

I look at the contributions that are made, for instance, to the Minister of Transportation and Communications (Mr. Snow). A large number of these contributions are from people who are in the transportation business. When the public looks at this they are bound to suspect that somehow the policy of the government might be influenced in this direction. The same could be said for the Minister of Consumer and Commercial Relations (Mr. Walker), the Minister of Industry and Tourism (Mr. Grossman) and the Treasurer (Mr. F. S. Miller), people who have an opportunity to influence very much the direction in which the government moves. So this suspicion arises in the minds of members of the opposition and, I think, to a large degree in the minds of the public.

How do we overcome that? We overcome it by legislating in favour of lowering the expenditures that take place in election campaigns and by better controlling the contributions that are made to political parties.

I mention those ministers to show examples of how the public might feel if the democratic process were being subverted. It is quite clear the Progressive Conservative Party spent substantially more than the opposition parties. According to one report it was \$8.1 million, just \$2 million less than their federal counterparts spent nationally during the 1980 federal campaign. It is overkill as far as funds are concerned.

We are building in Ontario a situation in

which the government in power has an advantage because those who want to make substantial donations feel perhaps that policy can be influenced by their contributions. Second, we find a situation in which the party that is able to accumulate the most funds—that is, the party that is most popular with the moneyed people, the established people in the province—is able to gain a competitive advantage over the other two political parties in the province. This is not healthy.

If the Progressive Conservative Party had won an election simply because their policies were better or because the public perceived the personnel in that party to be more attractive, as the Premier claims, then I think one could accept that. What throws that suggestion out, however, is the great spending we see by that party on the central campaign and on a riding-by-riding basis.

If they were prepared to rest their case simply on the merits of their candidates, on the basis of their senior personnel and on the basis of their policies then they would not see any need to spend these great sums of money. They would agree, surely, there should be limitations on expenditures and on contributions.

One aspect of this which I think is just being zeroed in on today is that the public is subsidizing to a much greater extent the party which is able to attract the most funds. Suppose we use the example of the Minister of Industry and Tourism, because his riding association and the minister himself were able to attract the most funds. One could conclude that if they were all \$100 donations—they were not, but if they were—\$75 out of that \$100 is coming back to the individuals who made those contributions in the form of an Ontario tax deduction. We know that some 66 per cent of those people who decided to vote did not vote Progressive Conservative, so those people are sharing in paying the Tory campaign fund.

Mr. Eaton: They are in yours too.

Mr. Bradley: The member should be quiet for a moment.

While we recognize—

Mr. Eaton: A point of privilege, Mr. Speaker.

Mr. Bradley: Sit down.

The Deputy Speaker: Point of privilege.

Mr. Eaton: He is indicating that rebate just

comes back to the Tory party, when he knows full well they get it. Everybody gets the same rebate.

Mr. Bradley: I am not indicating that at all. He should sit down and pay attention.

Mr. Eaton: That is what he just indicated, Mr. Speaker.

Mr. Bradley: I am pointing out the party that attracts the most funds benefits most from the tax system we have in Ontario and the subsidy system. Certainly, everyone benefits from the system which has been implemented.

We are saying there should be limitations on it. If the member is not afraid to have his policies and program put before the public of Ontario on an equal basis with members of the New Democratic Party and the Liberal Party, then of course he will not oppose restrictions on expenditures and contributions.

Because all of the people of Ontario subsidize this and to a much greater extent the party in power in this province is able to attract large sums during a campaign, that is another built-in inequity. If the member for Middlesex cannot understand that, he is nothing but a party hack.

At least I think some of the other members who may disagree with me on the government benches recognize the argument I am making. I am hopeful some of them will place pressure on the other members of their party to institute a fairer system in this province, and as a result of the resolution brought forward by the member for Bellwoods we will have enacted in this Legislature before the next election limitations on all expenditures during election campaigns and greater limitations on the contributions that can be made. If we do that we best serve the democratic system in this province.

The Deputy Speaker: The member for Sudbury East. Might I point out to him that he has approximately till two minutes to the hour; the member for Bellwoods (Mr. McClellan) has indicated he would like to finish off.

Mr. Martel: I want to contribute to this debate. When the question was first raised the Premier said: "It is our candidates and our policies that got us elected." Except they have to spend like hell to make it, don't they? They have to spend money like it is going out of style. Let me just tell members how they do it.

They do it in polls, they do it through government advertising—

Mr. Rotenberg: How much did you spend? Tell us how much you spent.

Mr. Martel: I spent less than \$17,000. Government polls, government advertising, government giveaways—I am going to come to them all—and perverse spending via media coverage.

The Tories, right in the middle of the election campaign, came up with a province-wide poll sent out from the Premier asking certain questions. It was to get the attitudes of the people. It was then the PC organization started to make the telephone calls. If they do not think that is perverse or sick to use that sort of thing, there is something wrong with them.

Mr. Rotenberg: Point of privilege.

Mr. Martel: Mr. Speaker, will you shut him up.

Interjections.

The Deputy Speaker: Order, please; order.

Mr. Martel: Mr. Speaker, I am not going to have my time used up—

The Deputy Speaker: Order, order, I say to the member for Sudbury East and the member for Simcoe Centre (Mr. G. W. Taylor). I want to remind all members that interjections are considered part of the routine of this House. However continued conversation is not. I want to remind all members of that. The member for Wilson Heights on a point of privilege.

Mr. Rotenberg: Mr. Speaker, I find my privilege being taken away from me when they spent all my speech heckling me and did not stop interrupting, and now you take me to task for trying to interrupt him.

Interjections.

The Deputy Speaker: Order; order, please. I have heard the member's point of privilege and it is well taken, but I want to remind him, that a continued conversation while another member is debating is not part of the standing orders of the House. I want to remind him when there were previous interjections I was very careful to note that the interjections were from various members and not in the form of a continued debate from one member.

4:50 p.m.

Mr. Martel: The Tories spent \$603,000 in polling to get the pulse of the people of Ontario before the election. That had an advantage. The poll came out of the Premier's office and then the phone calls came from the Progressive Conservative organization. Call that democratic.

I want to quote from a report about what advertising does to the public: "Instead they are

subjected to subtle and sophisticated attempts to develop product associations or loyalties." Let me go on. It says in addition, "It is pointed out that the product differentiation and other anti-competitive effects of advertising further distort the—"

The Deputy Speaker: Point of privilege.

Mr. Eaton: Point of privilege, Mr. Speaker: I would like to know what he was quoting from.

Mr. Martel: I am not going to be interrupted by that twerp forever. I have 10 minutes. Now sit him down.

The Deputy Speaker: Order, please. Order to the member for Sudbury East. I want to also remind all members that under the standing orders there is a reference to parliamentary language in the House. Would all members please keep that in mind.

Mr. Rotenberg: He can give it out but he cannot take it.

Mr. Martel: Mr. Speaker, this report is from the select committee on economic and cultural nationalism dealing with advertising. Let me quote again: "In addition it is pointed out that product differentiation and other anti-competitive effects of advertising further distort decision-making."

What did the Tories do? They went out in the middle of the election. The year previous to the election they spent \$20 million in advertising. The year of the election they spent \$29 million in government advertising—a 44 per cent increase. It takes a lot to sell those birds, does it not? Does the House know what that came to per day? The Tory party was advertising at a rate of \$80,160 a day; per day.

Mr. Rotenberg: We win elections.

Mr. Martel: To get the Tories elected to government—that is right, they were using it.

Mr. Rotenberg: If you had the money you would do it too.

Mr. Martel: In fact, Mr. Speaker, during the election the Tories escalated their spending in some ministries. In the Attorney General's ministry it went up by 1,100 per cent or 1,300 per cent.

Mr. Foulds: He needed it.

Mr. Martel: What else did the government have at its disposal? Giveaways. Let us look at a couple because there are some interesting ones. I remember when my friend from North Bay was in the running, hot to trot, and the figures started to come out, and the promises; and they did the same in Sudbury, but they did not have enough money.

In Sudbury the Tories spent more money than the Liberals and the New Democrats combined. As if that was not good enough, the Premier came in and promised \$10 million for a science centre and a couple of other goodies. He promised the Board of Industrial Leadership and Development campaign was going to come there and he promised that we needed something to diversify industry in the Sudbury basin.

They then went on to Cambridge and what did they do in Cambridge? The member for Cambridge (Mr. Barlow) knows what they did. They have lost more jobs but the promise was there.

Let me just go back to the spending in Sudbury: \$59,000 for the Tories; \$24,000 for the Liberals; \$27,000 for the New Democratic Party—more than double. They came in with the goodies; the Premier flew in three times and he made all the election promises.

Thunder Bay was a targeted riding. They went into Thunder Bay and made a series of promises. The Tories spent \$42,000. My colleague spent \$23,000 and the Liberals spent \$15,000. They then started to make announcements: \$30 million to \$50 million for a contract with Hawker Siddeley Diesels and Electrics Limited—

Interjections.

Mr. Martel: They then went to Cambridge and in Cambridge they outspent us: \$37,000 for the Conservatives, \$19,000 for the Liberals, \$13,000 for the NDP, and they promised a microelectronics industry in Cambridge. This went on province-wide; and the Tories wonder why we object.

The Premier says, "It is our party and our policies." They make giveaways, they poll, they spend \$30 million in advertising—then the Tory campaign starts. They spend \$8 million in 47 days. I have the figures before me so I will not do like the member for Wilson Heights. I will know what I am talking about. Let me see what the Tories spent—

Mr. Rotenberg: Mr. Speaker, on a point of privilege—

The Deputy Speaker: A point of privilege. Member for Sudbury East, you know I recognize all members' points of privilege. The member for Wilson Heights.

Mr. Rotenberg: The member for Sudbury East is implying that I do not know what I am talking about. That is not parliamentary.

Interjections.

Mr. Martel: Mr. Speaker, I assume I am right. The Tory organization spent \$8.058 million to sell that bunch of hooligans. They could not do it without it. They had polling, they had government advertising to the tune of \$30 million, they had giveaways and they are proud they had to come here via that route. What did they spend? There were 33 Tories—

The Deputy Speaker: Time.

Mr. Martel: Let me just say in conclusion that in this racket he who pays the piper calls the tune.

The Deputy Speaker: Order. I want to remind the member that he is infringing on his own colleague's time.

Mr. McClellan: I cannot remember when we had a livelier debate in private members' hour, Mr. Speaker. I wonder why that is.

Let me just continue the theme that my colleague was pursuing. The government spent \$30 million as a government in pre-election advertising. Preserve it, conserve it, blah blah blah.

An hon. member: Good things grow in Ontario.

Mr. McClellan: Good things grow in Ontario. And the increase at a time of government constraint and retrenchment—blah blah blah—the increase from 1979-80 to 1980-81 was \$9 million of public money siphoned off into government advertising for pre-election purposes. That was on top of the \$8.1 million spent by the party in the election campaign. That is a travesty of the principles of subsidized election expenditure. Would the member please try to get that through his head?

The money that is raised is being paid for by the taxpayers through tax credit. It is subsidized money and the government is squandering it. It is as simple as that. They are squandering public moneys in the way they pay for their election campaign. It is an absolute disgrace. How the member can try to justify it is beyond me. The only way the member for Wilson Heights can try to justify it is to give inaccurate facts in the Legislature. That is easy enough to do. It gives one some idea of what kind of an election campaign he must run.

But if one looks at the facts and looks at the act, one can reach no other conclusion than there is an abuse of public funds involved here. What we are asking, Mr. Speaker, is very simple. That the matter be referred to the election expenses commission with instructions to investigate campaign spending of all three

parties during the past election campaign with a view to bringing recommendations forward for amendments to the act. I do not think that is unreasonable and I think anybody who would vote against a resolution as eminently reasonable as this must have something they want to hide.

PETROCHEMICAL INDUSTRY EXPANSION

Mr. Brandt moved, seconded by Mr. Robinson, resolution 23:

That this House urge the Minister of Industry and Tourism and the federal Department of Industry, Trade and Commerce, to encourage the expansion and development of the petrochemical industry in Ontario, through sector rationalization, negotiation of assured feedstocks and increased international export marketing.

Mr. Eaton: A point of privilege, Mr. Speaker. I want to draw your attention to the figures as quoted by the member for—

Mr. Martel: That is a Liberal's point of privilege.

5 p.m.

The Deputy Speaker: Order, please. The member for Sarnia has moved resolution 23. I will dispense with the reading.

Interjections.

The Deputy Speaker: Would the two honourable members please have a little bit of self-control.

Mr. Brandt: May I carry on, Mr. Speaker? This does not come off my time, I hope.

The Deputy Speaker: You are starting now.

Mr. Brandt: I welcome this opportunity to discuss the outlook for Ontario's petrochemical industry and to describe the major issues that will bear on the industry's future development. The petrochemical industry has been characterized by high past growth rates and advanced, sophisticated technology. Together with its processing industries, such as plastics fabricating and synthetic textiles, it has a substantial multiplier effect on the Canadian economy through the upgrading of petroleum and natural gas resources.

Manufacturing proceeds through a number of stages in upgrading petrochemical raw materials derived from both crude oil or natural gas into a variety of products and end uses in other industries. The petrochemical raw materials

derived from crude oil are naphtha and gas-oil, and from natural gas, ethane, propane, butanes and condensates.

Mr. Kerrio: You make more sense than the government.

Mr. Gillies: Listen, you might learn something.

Mr. Brandt: This is good stuff, so the member should pay attention.

Mr. Gillies: Don't let an opportunity to learn pass you by.

Mr. Brandt: These raw materials are the feedstocks for the first stage of petrochemical production, products referred to as primary petrochemicals. Examples of these would be ethylene, propylene, butadiene, benzene, toluene and xylene. These first stage chemical products are then upgraded to secondary petrochemicals such as phenol, vinyl chloride and styrene. These important intermediates in turn are the raw materials for a further wide range of petrochemicals, including synthetic rubber, polyethylene and polyvinyl chloride. Finished petrochemicals are used in a wide range of industrial and consumer applications, such as plastics products, paint and varnish, insulation, synthetic textiles, floor tiles, et cetera.

In fact, Mr. Speaker, there is hardly an area of human endeavour that does not use petrochemical products in one form or another. The point of the motion we have before us today is that we appear to have taken many of these petrochemical-derived synthetics for granted. I would ask members to imagine a world that is deprived of these very important products. Key sectors of our economy are directly dependent upon the petrochemical industry for raw materials. For example, the plastics industry uses polyethylene, polypropylene, styrenic resins and polyvinyl chloride, which are converted into products used by the construction industry as thermal insulation, weather stripping and protective coatings. They all help with our energy problem.

They are used by the transportation industry as lightweight body mouldings and other automotive parts, and, of course, we are going to be selling a great number of additional cars as a result of the very positive measures brought forward by our Treasurer earlier today.

Mr. J.A. Reed: Wait until you hear from the other retailers.

Mr. Brandt: The home appliance industry uses petrochemical products as body mouldings or as components for refrigerators, stoves,

television sets, washing machines and so forth. Another industry that uses petrochemicals is the textile industry which must have ethylene glycol to produce polyester fibres. Our agricultural industry is directly dependent on such petrochemicals as fertilizer, pesticides and herbicides.

Petrochemicals have a very significant job-creating impact on downstream industries. The member for Halton-Burlington (Mr. J. A. Reed) would be interested, for example, to know that for every one job created in the extraction of ethane, four jobs are created in the manufacture of ethylene; 26 jobs at the first-line derivative stage, which is vinyl chloride; a further 46 jobs at the second derivative stage, which is polyvinyl chloride; and more than 1,000 jobs at the third derivative stage, such as the production of pipe and tile.

Mr. Gillies: See how productive that Suncor deal is? Thousands and thousands of jobs.

Mr. Brandt: We have not even begun yet. Petrochemical products are also very energy efficient. Recent studies have demonstrated that petrochemically-derived products often require less energy in the manufacturing process. For example, a polyvinyl chloride bottle needs only half as much energy to make as its glass counterpart. A plastic produce bag requires 10 per cent less energy to make than a paper bag. Moreover, other ramifications of a totally petrochemical-free world would be disastrous. To replace the world demand for synthetic fibres with wool would require one and one-third billion acres of new grazing land, an area greater than continental Europe.

The Canadian petrochemical industry is presently concentrated in Canada in three regions; Alberta, Sarnia, and Montreal, with some limited facilities in eastern Ontario and others that are announced or under consideration in British Columbia.

The Ontario petrochemical industry has its roots in Sarnia where the first Canadian petrochemical plant was established during the Second World War. This plant, known as Polysar, manufactures a wide variety of synthetic rubbers, paints, latex and polystyrene and has become a multinational corporation with plants in most major countries of the world. Recently the petrochemical industry in Ontario completed the largest capital expenditure in its history. In Sarnia, a new investment of over \$1 billion was completed in 1979 with the startup of the Shell Canada polypropylene and isopropanol plants.

Other investments include Canada's first world-scale petrochemical refinery owned by Petrosar and built at a cost of over \$700 million to produce ethylene and other primary petrochemicals. New polyethylene manufacturing facilities and expansions by Union Carbide, Dupont of Canada, Dow Chemical of Canada and a styrene plant owned by Polysar are either under way or are proposed to be under way shortly.

The point that I think is of interest to some of the members of the House is that Ontario accounted for \$2.2 billion of the petrochemical production in 1979, about 67 per cent or two thirds of Canada's total. The industry in Ontario has over 12,000 direct employees, but in addition there are 25,000 employees in the plastics processing industry which depends directly on the petrochemical industry for the supplies of plastics and resins. On the whole, Ontario accounts for approximately 60 per cent of the activity in the Canadian petrochemical industry in terms of employees.

The US petrochemical industry, one of our major competitors, is concentrated on the gulf coast, primarily in the states of Louisiana and Texas. This industry in that particular part of the world represents the most efficient industry in the world. Clearly the American industry is the major competitor of the Canadian industry, both in the Canadian market and in the export market.

Since a high proportion of the Canadian industry is controlled by multinational companies, investment decisions are frequently based on comparisons between Canada and the US environment, specifically in the gulf coast.

Some of the more important considerations and factors that must be taken into account for these investment decisions include the initial cost of facilities, which would also include labour, materials, engineering and construction supervision; the price and the supply of feedstocks and energy—a very important component; the taxation environment; ownership; industry structure and influence of foreign control, and finally, the state of existing production capacity.

Examining these factors more closely one finds that the Canadian petrochemical industry faces a cost disadvantage in comparison with the US industry. The major causes for higher Canadian costs include the costs associated with northern climatic conditions. It is simply colder in Canada and more expensive to operate here because of a lack of specialized

petrochemical construction services and equipment and job site supervisory experience; a more costly construction labour compensation package when compared with our US counterparts; higher material costs and the additional costs of securing the necessary engineering and project management expertise.

Another factor which is critical in the comparative position of the Canadian industry is the cost of oil and natural gas feedstocks and energy. This cost represents approximately 50 per cent of the cost of production of primary petrochemicals and 25 per cent of the cost of the second stage derivatives. As long as crude oil prices remain competitive with those in the US, the gas-based petrochemical industry in Alberta will be in a competitive position with the US industry.

5:10 p.m.

At the same time, however, a competitive situation exists between the gas-based petrochemical industry in Alberta and the oil-based industry in eastern Canada. The widening gap between oil and gas prices means it will be increasingly difficult for eastern Canadian producers of oil-based petrochemicals to expand production and to remain competitive.

Nevertheless, the eastern Canadian industry remains vital to the Canadian economy. A number of products including rubber, polypropylene, nylon intermediates and plasticizers are only made in eastern Canada. Furthermore, some products can only be made from oil-derived feedstocks and not from natural gas. Thus it is essential that Ontario and Quebec have access to supplies of crude oil and crude oil products.

Mr. Dean: Scratch that Quebec thing.

Mr. Brandt: We have to share with our neighbouring province, of course.

Given the availability and price of natural gas, most of the new petrochemical expansions will use feedstocks derived from natural gas. Another weakness in the Canadian industry is the lack of concentration which creates economic inefficiencies in providing support services. The domestic Canadian market is simply not large enough to support more than one or two world-scale plants. Clearly the problems facing the Canadian petrochemical industry, particularly the Ontario industry, are—

Mr. Kerrio: Bad government here.

Mr. Brandt: What's that?

Mr. Kerrio: Bad government here; Tory government.

Mr. Brandt: The problems facing the Ontario industry are, if I can ignore the interjections, the size of the Canadian market, the supply and price of feedstocks, as well as the apparent fragmentation of the industry. Both the federal and provincial governments must take the initiative to ensure the wellbeing of this vital sector of our economy.

What is most needed is a policy direction that guarantees a continued growth and expansion of both eastern and western petrochemical centres, improved access to export markets and last and most important to Ontario, a secure supply of feedstocks at competitive prices.

A price differential below world or US prices is necessary to offset the disadvantages encountered by the Canadian petrochemical industry in comparison with its US counterparts. The government must ensure that the blended price of crude oil will never exceed 85 per cent of the international price or the average price of oil in the US, whichever is lower.

Currently, the rapid growth in Alberta is driven by abundant natural gas at competitive prices. The Alberta industry is planning construction of major installations and equipment with an estimated cost of between \$7 and \$8 billion by 1985, a very substantial undertaking. At least 10 new plants, most of them world-scale and almost all based on natural gas liquids, which as I mentioned before have a price advantage over crude oil, are scheduled for construction in the next few years in the west.

Currently, growth in the west is not precluding growth in Ontario. Over the next few years, close to \$2 billion will be spent on new plants and expansion projects in the Sarnia region alone. Petrosar will spend \$50 million this year to refine more of the crude it uses and to cut the amount of residual oil produced by some 8,000 barrels a day. It also plans a \$500 million expansion by 1984 that would further refine each barrel of crude and result in additional savings of barrels of crude oil. Major polyethylene expansions in Sarnia are also planned by Esso, Union Carbide and Dupont.

Given Alberta's advantages of cheaper and more abundant supplies of natural gas, continued expansion in the future for Ontario must be guaranteed through a policy of sector rationalization. There is no reason for Canada's traditional petrochemical centres, Montreal and Sarnia, to suffer because of a shift of new projects to Alberta.

Certainly, the concentration of three petrochemical centres is necessary to keep transpor-

tation costs down. Alberta should continue to serve western Canada and the Pacific export market. Sarnia should serve central Canada and the midwestern United States, with Montreal output being sold in eastern Canada and along the eastern seaboard.

To be economically viable in Canada, the petrochemical industry must operate on an international scale and compete in international markets. While the Canadian petrochemical industry has aimed primarily at satisfying domestic demand, improved access to foreign markets is of increasing interest, particularly in the scope it provides for high capacity utilization of world-scale plants, and the economies that brings with it. To achieve this, Canadian companies must at least export the excess which the domestic markets cannot absorb.

As major new facilities in Sarnia and Alberta complete their early years of production, there will be a need to increase exports because, obviously, there will be a period of overproduction. Currently, about 60 per cent of the Canadian petrochemical production is sold in the domestic market and the remainder, which totals about \$1 billion, is exported. Imports amounted to about \$1.5 billion in 1979, and the import penetration of the Canadian market has stayed around 40 per cent for the last 10 years. However, a favourable trade balance in petrochemicals will be achieved as Canada increases its exports of those products for which world-scale plants are feasible.

Governments need to take necessary action to aid our petrochemical industry in gaining access to foreign markets. Selective bilateral trade agreements, particularly with the United States, should be pursued as a means of developing international trade.

In improving trade relationships and expanding export markets, both the federal and provincial governments must follow policies that are conducive to facilitating healthy trade relations. Dialogue with the United States, Europe and the Pacific Rim countries must be pursued. At the same time, this trade development thrust must also be extended to encourage those downstream finished product manufacturers who depend on petrochemicals for their penetration of world markets. Conversion of primary petrochemicals into more complex derivatives provides an opportunity for more profitable exports.

Other areas in which governments can have a significant impact on the petrochemical industry are in transportation policy. An efficient and

low cost transportation network can reduce some of the disadvantages associated with feedstock prices. The government can facilitate and encourage the establishment of an infrastructure conducive to the expansion of the petrochemical industry, as well as create a healthy investment and regulatory climate that supports large capital commitments.

Before concluding, Mr. Speaker, I would like to examine some of the proposals undertaken by other provincial governments in an attempt to rationalize their petrochemical sectors.

In British Columbia, for example, the government has introduced a new natural gas pricing policy designed to encourage the upgrading of natural gas within the province. In Quebec, the government has announced the formation of a consortium known as Petromont to purchase the existing ethylene production assets of Gulf and Union Carbide and to eventually expand these facilities. In Alberta, the government is committed to diversifying its economy through the development of its petrochemical industry.

Through an amendment to its Petroleum Conservation Act, Alberta controls the use of all hydrocarbons within the province and can thus influence the development of the industry. Ontario, on the other hand, does not currently have a comprehensive strategy to facilitate the future growth and expansion of an industry that is vital to the wellbeing of Ontario's economy.

Mr. Wildman: We have been saying that for years.

Mr. Brandt: That is why I am saying it now—to put it into perspective for the members and to establish a policy that we can all agree on. I am hoping I get unanimous support from the other side of the House.

Mr. Wildman: I thought Suncor was going to do all that. Isn't that why the government bought Suncor?

Mr. Brandt: That is only one small step for this House and a very large step for the citizens of Ontario.

Mr. Wildman: The member sounds like he just landed on the moon.

Mr. Brandt: That is where I stole the line from.

Governments are continuously aiding industries that have no hope of developing a comparative advantage in world trade. It is time that governments also concentrated their efforts on winners.

The petrochemical industry in Ontario is a

winner. It is a healthy industry, and with government support it can maintain its leadership of the Canadian petrochemical industry.

In summary, Mr. Speaker, Ontario's petrochemical industry faces certain disadvantages when compared to its United States counterpart, and to the emerging facilities in Alberta. In order to compensate for these disadvantages, both levels of government must pursue a policy of sector rationalization which would include continued growth and expansion of both western and eastern industries; the clustering of the industry to ensure economic efficiency and viability; secure supplies of feedstock and a price differential of feedstock below the world price; improved access to export markets and a trade development thrust encouraging downstream manufacturers who depend on petrochemicals to penetrate world markets. I also mentioned the low transportation costs.

By way of summation, I believe that by developing a comprehensive policy direction, our government can assist the industry in maintaining its healthy posture.

5:20 p.m.

Mr. J. A. Reed: Mr. Speaker, I am very glad that the honourable member for Sarnia clarified the one buzz phrase that I really did not grasp very well in the resolution, and that was "sector rationalization." We get them all in here, from time to time, and I am very glad that he explained what that was because I really wanted to support this resolution, and shall support the resolution, but I was a little bit hesitant about just what he meant by sector rationalization. So now we know.

It is interesting that some of the members on the back bench there have a better grasp of Ontario's needs than do those people on the front bench. I often wonder why it is that a back-bencher has to make a resolution like this because the Minister of Industry and Tourism (Mr. Grossman), and everybody else, is always telling us they are doing everything possible to ensure the health of whatever industry it happens to be at any time. Why does he have to introduce a resolution like this? He knows why he has to; it is because everything is not being done to see to it that the petrochemical industry maintains its health and viability and its very important place in the economy of this province.

It is through that recognition that our party took a position years ago, which is that as a fundamental idea or concept, petroleum was too valuable a commodity to be left to simple

combustion. That is a fundamental policy on our part. We have directed all of our energy ideas and concepts towards that end.

Then the federal government came along with the off-oil policy. That was another idea that recognized that there were uses for this valuable, strategic commodity other than simple, pure combustion. It was as a follow-up of that, if you like, that our party did our power alcohol study in 1978, and that we supported the idea of Ontario producing its own fuel resources right here in the province. One of the positive spin-offs of that thrust would be to leave petroleum for its highest end use, which is as a petrochemical.

I am always disturbed when I hear the comments by the Premier (Mr. Davis) over the purchase of Suncor, committing \$650 million for Suncor, because he has tended to convey the notion that he is going to secure transportation fuel in the future for the people of Ontario. That is exactly what he did, because Suncor is basically a marketing organization in Ontario.

The member for Sarnia and I know that purchase will not secure one more drop of oil for the people of the province. That brings up the one question I have about this resolution, the negotiation of assured feedstocks.

About a year and a half ago, as the honourable members will know, when the argument was going on between the federal government and the government of Alberta over an oil-pricing agreement, there was a rumour that came through this Legislature that somehow the government of Alberta would have something to say about who the customers of its oil would be.

Members will recall that. It got into the news, certainly in Sarnia, and concern was expressed by the former member for Sarnia about that. I went to Ottawa and talked to the federal Minister of Energy, Mines and Resources about that specific question. He said to me, "You do not have to worry about assured feedstocks. The federal government controls the allocation of all petroleum in this country."

Understood properly, that meant that there would be no discrimination against one particular sector, and at that time the concern was for the petrochemical sector.

Mr. Stokes: What about production?

Mr. J. A. Reed: Well, production, as the honourable member for Lake Nipigon knows, is in the hands of the provincial government. It is interesting to note that in Ontario we have very little oil, and none of it is controlled by Suncor.

It makes it quite interesting when the Premier talks about assuring supply through the purchase of Suncor. It is pure, utter hogwash, and deep down the members of this House all know it. There may be some perception out there among the members of the public, but it is an incorrect perception because that control is in the hands of the federal government.

In the minute or two I have left I would like to ask the honourable back-bench member for Sarnia, who I believe should be on the front bench—I say that in all sincerity, because I think he has taken the trouble and time to learn about and understand the industries that are particularly pertinent to his riding and he has expressed his concern—how he can continue to stand up and support the cabinet ministers who are on the front bench when they are not doing the job to support the petrochemical industry in this province? How can he continue to support them when they would spend \$650 million to buy 25 per cent of an oil company instead of spending it—provided they have \$650 million, which they do not—on developing peat resources in Ontario, for instance.

Let us talk about value added. That same money could employ 7,000 people in Ontario and another 1,000 in the construction of plants, and reduce the demand for petroleum for simple combustion, thus leaving the petrochemical industry in a far more advantageous position.

I ask the member for Sarnia to give this his most serious consideration, especially when he is called on to support this kind of expenditure for an oil company at a time when spending it on the alternative, allowing Ontario to make its rightful contribution to Canadian energy self-sufficiency, is being denied. This is the situation, and the honourable member, I am sure, is very much aware of it.

A power alcohol program in Ontario would relieve the demand for those oil resources and would allow that oil to be used for its highest end use, which he and I agree is in the petrochemical industry. I do believe that as the years go by and as we sink farther and farther into this dependency, the petrochemical industry is going to be far more concerned before the matter is properly resolved.

Mr. Speaker, it is a pleasure to be able to support this resolution. I hope the member is able to convey it to the front benches.

5:30 p.m.

Mr. MacDonald: Mr. Speaker, I want to commend the member for Sarnia for his resolu-

tion and the speech with which he backed it up. I must say, I do not know whether he did all his own research work or whether he had a pipsqueak researcher for him, but if he did, it was a better researcher than the one for the hyper member for Wilson Heights (Mr. Rotenberg) who had more inaccuracies in every five minutes than you could count.

Mr. Kerrio: That is not very nice.

Mr. MacDonald: It is not nice but it is accurate. The problem with the member is that he does not know the difference between accuracy and niceties.

Mr. J. A. Reed: Oh yes he does, but he is trying to be benevolent.

Mr. MacDonald: Okay. The honourable member, apart from giving us a very useful update on the whole petrochemical industry in the province of Ontario, also provided us with a copy of his speech in advance so that we could make reference to it. I want to pick up and focus—in the limited time that is available to me—on one particular aspect because, quite frankly, I do not know what the score is and I am even more puzzled by the comment of the member for Halton-Burlington who is about to leave the House. The member for Sarnia said at one point: “Another factor which is critical in the comparative position of the Canadian industry”—

Mr. J. A. Reed: Point of privilege: I would just like to inform the honourable speaker that the member for Halton-Burlington is in his seat.

Mr. MacDonald: The member for Halton-Burlington was leaving the House and if he has come back he does not need to get up and tell people because we can see him. He is bulky enough that we can see him, without taking the time away from my speech.

Mr. Stokes: It is just for the record.

The Acting Speaker (Mr. Cousens): Carry on then.

Mr. MacDonald: Just for the record. I was quoting a word of wisdom from the member for Sarnia: “Another factor which is critical in the comparative position of the Canadian industry is the cost of oil and natural gas feedstocks and energy. This cost represents approximately 50 per cent of the cost of production of primary petrochemicals and 25 per cent of the cost of second derivatives.”

On the next page of his speech he said: “The widening gap between oil and gas prices means that it will be increasingly difficult for the

eastern Canadian producers of oil-based petrochemicals to expand production and remain competitive." And finally, "Thus it is essential that Ontario and Quebec have access to supplies of crude oil and crude oil products."

Let me set the cost factor aside for a moment. I agree that is important and obviously Alberta is going to have a competitive advantage. My problem and the area that I want to focus on in the resolution is this central portion of it, which is the negotiation of assured feedstocks. I do not know his position and I do not know whether the member for Sarnia can speak to it, if he has some more time at the end to clarify it, but my understanding is interprovincial trade is a federal matter and, therefore, the Alberta government has no control over that oil and gas once it leaves the Alberta border.

However, when we got into a squeeze a year or so ago, Premier Peter Lougheed, that "blue-eyed Arab" out there, said, "Okay, I will still control this situation. I will cut down the production." If he cuts down the production, he at least has an indirect control over what is happening to the oil and gas that might get into interprovincial trade. It simply does not get there if he cuts it down. Of course, if he cuts it down far enough, then they can fulfil that car bumper sticker, "Let the eastern bastards freeze in the dark," the kind of sentiment that exists in Alberta at the present time.

The thing that puzzles me about the member for Halton-Burlington is that he said he went up to Ottawa and got an assurance. I do not know why he took that assurance so readily from one of his colleagues in Ottawa because we do not always take what they say at face value. His colleague said that they have control over allocation. Where is their control over allocation? How have they got control over allocation? If the government of Alberta chooses, for whatever reason in the federal-provincial battle or for whatever other reason, to cut down on the production and there is not enough oil and gas coming out, they are allocating a scarce resource.

Mr. J. A. Reed: It is allocated and you should know, I am sure—

Mr. MacDonald: Just a minute now. I am giving this speech. If they can allocate it, is the honourable member suggesting that the federal government could then say, "In Sarnia, to maintain the petrochemical industry, we will give you 100 per cent of what you need and let everybody elsewhere, outside of Alberta, go even shorter?" I may be wrong but, to my knowledge, they do not have the legal right at

this point to allocate the total requirements the Sarnia petrochemical industry needs if, perchance, Alberta cut back on its production. I think everybody would agree that negotiating assurance of feedstocks is important. It is important if we are going to maintain the industry that happens to be there at present.

If the member for Sarnia, in his statement of policy—and I agree with the member for Halton-Burlington that it is better than anything we have gotten from the front benches—is envisaging a great expansion of the petrochemical industry so that the Quebec portion of it can meet not only Canadian domestic needs but also move into the export market along the New England coast; or if the Ontario portion of the petrochemical industry can meet Ontario's needs and expand its exports into the whole neighbouring portion of the United States, that is fine; but they cannot do it if they do not have the feedstocks. As the law exists now, I do not know how one can get assurance of feedstocks.

Let us be frank here. We in this province, and particularly in this party, acknowledge and have said that if we have a resource base, and I am referring now to northern Ontario particularly, that resource base should be the basis of building secondary industries. One of the reasons the north tends to wither on the vine, why the young people have to leave and why it has a low level of economic activity, is that we have not had government policies to ensure the development of secondary industries based on that resource base.

The problem in western Canada is that traditionally they did not have the resource base, therefore, they had to use products from the secondary industries of eastern Canada. One of the interesting developments that has taken place in Canada is that, as western Canada develops its resource base, Premier Lougheed says: "We are going to develop an ongoing secondary industry. We are not going to be dependent to such an extent on the manufacturing sector of central Canada."

It is going to be difficult to argue. In view of our own posturing here and because of the logic of the comparative positions, that is a natural thing for them to do. If Alberta is going to develop its petrochemical industry and use its basic resource, then unless we have some capacity for negotiating an assured supply aimed at maintaining the petrochemical industry we have, to say nothing of the expansion that the honourable member is envisaging, it is all a bit of a pipe dream.

Let me move on, if I may, to another comment. I do not know where Suncor fits into this. Suncor means Ontario is now going to have a measure of control over one of the oil companies. It is solidly based out in Alberta and has its sister corporations here in Ontario.

But I do not know whether, because of Ontario's influence derived from the 25 per cent share or ultimately perhaps a 51 per cent share, we can make certain that all of Suncor's production in western Canada will become available for its own sister corporations here and other petrochemical industries in Ontario. I do not know, because we are back to square one. Who has control of the production? Who has control of the allocation?

Notwithstanding the rather glib assurance of the member for Halton-Burlington, I do not know that the federal government has control of the allocation to the point that it can assure the petrochemical industry of Ontario of everything it wants and needs to maintain the industry that exists now and the expansion envisaged by the member for Sarnia.

Let me go to one other point rather quickly here.

The Acting Speaker: You have one minute.

Mr. MacDonald: One minute; very good. The member for Sarnia said, "Given Alberta's advantages of cheaper and more abundant supplies of natural gas, continued expansion in the future for Ontario must be guaranteed through a policy of sector rationalization."

Quite frankly, I am not certain what the member is saying. If he means by "sector rationalization" that one maintains the industry that is in Ontario now and the portion that is in Québec, and in another place he says there is no reason for Canada's traditional petrochemical centres, Montreal and Sarnia, to suffer because of a shift of new projects to Alberta, it may well be that there is danger.

5:40 p.m.

If the production levels in Alberta are not sufficient to meet all the expansion of the petrochemical industry there, there may not be enough of a surplus to maintain, and particularly to expand as he envisages it, the petrochemical industry here in Ontario. So I am a little puzzled as to what he means by sector rationalization, particularly when I try to tie it in to the one point I wanted to make—

The Acting Speaker: Time.

Mr. MacDonald: The one point I wanted to make, Mr. Speaker—

The Acting Speaker: Thank you, honourable member. The time has elapsed and we are being rather controlled on the time.

The member for Scarborough-Ellesmere.

Interjections.

Mr. Robinson: Do I presume to be recognized, Mr. Speaker?

The Acting Speaker: You were just recognized.

Mr. Robinson: Thank you. I am happy to speak in support of the resolution proposed by my colleague the member for Sarnia. Indeed, I feel that Ontario must continue to aim to have a strong position in all major areas of industry that we are currently involved in. I believe this is the nature of the commitment expressed by my government in the BILD program. It is also the thrust behind the sectoral development policies and programs of our ministers of Industry and Tourism (Mr. Grossman) and Treasury and Economics (Mr. F. S. Miller).

My colleague the member for Sarnia has explained the amazing range of products that come from petrochemical industrial development. I guess that was one of the first areas that would deserve the label of high technology. I recall last spring when the member for Sarnia explained to the House in the debate on the speech from the throne that 100 gallons of crude oil could be transformed by the petrochemical industry into 46 white shirts, 13 plastic garbage cans, 46 sweaters, 365 items of lingerie, two tires, eight tire tubes and 23 pounds of filler—

Mr. Wildman: And a partridge in a pear tree.

Mr. Robinson: I wasn't going to say that.

At the same time, there still would be sufficient gasoline to last an average household for more than a month. This industry, built on the wonders of modern chemistry, is one that Ontario is lucky to have in abundant measure and one that we must do all we can to maintain and expand. Rubber, important pharmaceutical substances, detergents and fertilizers all come from petrochemicals. All the plastic and rubber substitutes we now have in our cars and appliances are also supplied from this industry. It creates an astounding range of very valuable items.

There have been people telling us for quite a number of years now that we use far more of our energy resources than we have to for such applications as transportation and space heating. When one sees the infrared photographs taken of homes at night showing the heat leaks, one realizes there is some truth in the belief that

indeed we may be guilty of wasteful practices. This would be true also of our heavy gasoline consumption in automobiles. Many have argued that we should cherish our petroleum reserves because of their value for an indefinite length of time into the future, as feedstocks for such a wide range of essential products continue to diminish.

It would be somewhat difficult to obtain general public support for oil and gas conservation. Based on that aim, and for that very reason, it is difficult to believe the clothes we are wearing and all the other products actually do come from hydrocarbons by means of sophisticated chemical transformations, but the public grows more knowledgeable every day. I have no doubt that in time people will understand the need to be judicious in the use of our oil and gas reserves and to conserve them for the use of generations yet to come.

In 1981, the Ministry of Energy and the Ministry of Natural Resources have undertaken hydrocarbon exploration programs, which we hope in time will reveal indigenous sources of these valuable commodities. In one program, the Ontario Energy Corporation has undertaken a five-year exploration program in a collaborative venture along with the federal government and two energy companies. The venture will take place on an immense tract, some 72 million acres in Hudson Bay. It is very possibly the largest single exploratory parcel ever granted in Canada.

Should the exploration program, which gets under way next summer, prove to uncover hydrocarbon resources, it could significantly reduce Ontario's and Canada's dependence on imported fuel. It certainly would buy us time for bringing alternatives on stream, and it could assure our important petrochemical industries of a plentiful and easily available supply.

The hydrocarbon exploration program announced this year by the Ministry of Natural Resources is a positive and important step in this overall context. In a five-year program that complements the Ontario Energy Corporation initiative, that ministry's hydrocarbon energy resource program involves an assessment of our lignite, peat and oil shale reserves. The technical and economic feasibility of these sources will be studied and this data integrated into new policies for stimulating further exploration and development of our own energy resources.

There is a general consensus among the men and women who work within our petrochemical industry that it stands at the brink of opportu-

nity for tremendous growth. Considering the wide range of its products and their many applications, how could it not be true? Experts in the industry believe that, to maximize the potential of our petrochemical industry growth and development, we must think and act from the standpoint from a global perspective. It is a question of the world-wide flow of trade.

Canada has a comparative advantage at this time in terms of its energy reserves, and Ontario has a comparative advantage in terms of its existing industrial infrastructure. But we certainly cannot rest on our laurels and hope that work that was done in the past will suffice. There is a major review under way at the federal level. It is imperative that our government continue to make adequate representations at that level to ensure that Ontario's interest be given full consideration and that the continuing development of the petrochemical industry here in Canada's heartland remains strong and dynamic.

In consideration of this resolution, one cannot help but reflect on Ontario's high-quality programs to ensure dynamic well-rounded growth in the economy over the rest of this decade. In particular, our Board of Industrial Leadership and Development program, with its multifaceted development thrusts, will ensure the optimal development of our resources and the growth of our secondary manufacturing sector as well as the continuation and strengthening of our position in the evolving areas of computer communications, technology and biochemistry.

Important BILD initiatives with respect to petrochemicals include the expansion of our marketing expertise and efforts. Market expansion is an essential element if our petrochemical industry is to grow. Collaboration between government and industry becomes particularly important in gaining access to foreign markets for our petrochemical products.

The petrochemical industry in Ontario is poised to generate job opportunities on a very large scale. The chemical industry feels that its potential is not being fully recognized by government, and perhaps this is so. In addition to jobs, realization of the full potential of Ontario's petrochemical industry would have a substantial positive impact on our balance of trade and generate healthy revenues for government.

Mr. Kerrio: How much time is left, Mr. Speaker?

Mr. Speaker: Approximately two minutes.

Hon. Mr. Ashe: Two minutes too many.

Mr. Kerrio: Thank you very much. It just gives me time to put what I want on the record.

Mr. Speaker, this resolution makes uncommonly good sense and I, for one, am going to support it.

Mr. O'Neil: More, Vince. Give them more.

Mr. Eaton: Vince for leader.

Mr. Speaker: Order.

Mr. Kerrio: It points up the ineptitude of this government if it is relying on someone to point out its shortcomings in addressing itself to the very serious problems they are having in the petrochemical industry.

Long before now, long before the member from the back bench got up to move this resolution during this private members' hour, it was known to all of us that the Minister of Industry and Tourism, the Minister of Energy (Mr. Welch), and the Premier in his BILD program, should have had something in place that would help that industry, which is very vital to all of us here in Ontario.

I hope this will indicate to the government there are people on the back benches who should take the place of some of the people in the cabinet. They are running the government in such a way that is not responsive to the needs of the people and not reacting to providing jobs and doing the things in Ontario that would make it vital and a place to stand again.

ELECTION FINANCES REFORM

The House divided on Mr. McClellan's motion of resolution 20, which was negated on the following vote:

Ayes

Boudria, Bradley, Breaugh, Bryden, Cassidy, Charlton, Cooke, Copps, Cunningham, Di Santo, Eakins, Edighoffer, Foulds, Grande, Johnston, R. F., Kerrio, Laughren;

MacDonald, Mackenzie, Mancini, Martel, McClellan, McKessock, Miller, G. I., Newman, O'Neil, Philip, Reed, J. A., Ruston, Stokes, Swart, Van Horne, Wildman, Wrye.

Nays

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Brandt, Cousens, Cureatz, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Henderson;

Hennessy, Hodgson, Johnson, J. M., Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, McNeil, Miller, F. S., Mitchell, Pollock, Pope, Ramsay, Robinson;

Rotenberg, Runciman, Scrivener, Sheppard,

Shymko, Snow, Stephenson, B. M., Stevenson, K. R., Taylor, G. W., Taylor, J. A., Treleaven, Walker, Welch, Williams, Wiseman.

Ayes 34; nays 54.

PETROCHEMICAL INDUSTRY EXPANSION

Mr. Speaker: Mr. Brandt has moved resolution 23.

Those in favour will please say "aye."

Those opposed will say "nay."

In my opinion the ayes have it.

Resolution concurred in.

BUSINESS OF THE HOUSE

Hon. Mr. Gregory: Mr. Speaker, pursuant to standing order 13, I wish to indicate to the House the business for the balance of this week and next week.

This evening, resuming the adjourned debate on the motion for adoption of the third report of the standing procedural affairs committee re agencies, boards, and commissions.

On Friday morning, November 6, we will commence the estimates of the Ministry of Northern Affairs.

On Monday afternoon, November 9, we will continue with the estimates of the Ministry of Northern Affairs. On Monday evening, we will do second readings of Bills 94, 137, 142 and 138, standing in the name of the Minister of Revenue (Mr. Ashe), and then, if there is time, committee of the whole on those bills.

On Tuesday afternoon, November 10, we will do second readings of Bills 2, 53, 55, 150 and 93, standing in the name of the Minister of Transportation and Communications (Mr. Snow), and then, if there is time, committee of the whole on those bills.

I remind the House that we will not be sitting on Tuesday evening or on Wednesday, November 11.

On Thursday afternoon, November 13, we will deal with ballot items 17 and 18, standing in the names of Mr. McGuigan and Mr. Swart. On Thursday evening, we will continue with second readings of any legislation not completed on Monday evening.

On Friday morning, November 13, we will return to the estimates of the Ministry of Northern Affairs.

There may be a further statement on business tomorrow.

The House recessed at 6:04 p.m.

CONTENTS

Thursday, November 5, 1981

Statements by the ministry

Grossman, Hon. L. S., Minister of Industry and Tourism:

Microelectronics task force report. 3191

Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics:

Aid to automobile industry. 3189

BILD initiative for agriculture. 3190

Pope, Hon. A. W., Minister of Natural Resources:

BILD-funded forestry projects. 3190

Oral questions

Ashe, Hon. G. L., Minister of Revenue:

Tax grants for seniors, Mr. McKessock, Mr. Foulds. 3205

Land assessment, Mr. Di Santo. 3206

Elgie, Hon. R. G., Minister of Labour:

Canadian Admiral, Mr. Cassidy, Ms. Copps, Mr. Mackenzie. 3201

Employee health and safety, Mr. Martel. 3204

Grossman, Hon. L. S., Minister of Industry and Tourism:

Canadian Admiral, Mr. Smith, Mr. Cassidy, Mr. Barlow. 3195

Grant to racing car driver, Mr. Mancini, Ms. Copps. 3202

Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics:

Aid to automobile industry, Mr. Smith, Mr. Cassidy, Mr. Ruston. 3197

Unemployment, Mr. Cassidy, Mr. Mancini, Mr. Cooke. 3200

Petition

Ontario Nurses' Association, Mr. Breagh. 3206

Motions

Committee substitution, Mr. Gregory, agreed to. 3207

Estimates, Mr. Gregory, agreed to. 3207

First reading

Education Amendment Act, Bill 164, Miss Stephenson, agreed to. 3207

Private members' public business

Election finances reform, resolution 20, Mr. McClellan, negatived. 3207

Petrochemical industry expansion, resolution 23, Mr. Brandt, concurred in. 3217

Other business

Speaker's role, Mr. T. P. Reid, Mr. MacDonald, Mr. Kennedy, Mr. Rotenberg,
Mr. Cassidy. 3185

Economic policy, Mr. Mancini. 3190

Visitors, Mr. Walker, Miss Stephenson, Mr. Martel. 3193

Constitutional agreement, Mr. Smith.	3194
Allegations of police brutality, Mr. Breithaupt.	3194
Answers to questions on Notice Paper, Mr. Gregory, tabled.	3207
Business of the House, Mr. Gregory.	3226
Recess.	3226

SPEAKERS IN THIS ISSUE

Ashe, Hon. G. L.; Minister of Revenue (Durham West PC)	
Barlow, W. W. (Cambridge PC)	
Bradley, J. J. (St. Catharines L)	
Brandt, A. S. (Sarnia PC)	
Breaugh, M. J. (Oshawa NDP)	
Breithaupt, J. R. (Kitchener L)	
Cassidy, M. (Ottawa Centre NDP)	
Cooke, D. S. (Windsor-Riverside NDP)	
Copps, S. M. (Hamilton Centre L)	
Cousens, D.; Acting Speaker (York Centre PC)	
Cureatz, S. L.; Deputy Speaker (Durham East PC)	
Dean, G. H. (Wentworth PC)	
Di Santo, O. (Downsview NDP)	
Eaton, R. G. (Middlesex PC)	
Elgie, Hon. R. G.; Minister of Labour (York East PC)	
Foulds, J. F. (Port Arthur NDP)	
Gillies, P. A. (Brantford PC)	
Gregory, Hon. M. E. C.; Minister without Portfolio (Mississauga East PC)	
Grossman, Hon. L. S.; Minister of Industry and Tourism (St. Andrew-St. Patrick PC)	
Kerrio, V. G. (Niagara Falls L)	
Laughren, F. (Nickel Belt NDP)	
MacDonald, D. C. (York South NDP)	
Mackenzie, R. W. (Hamilton East NDP)	
Mancini, R. (Essex South L)	
Martel, E. W. (Sudbury East NDP)	
McClellan, R. A. (Bellwoods NDP)	
McKessock, R. (Grey L)	
Miller, Hon. F. S.; Treasurer of Ontario and Minister of Economics (Muskoka PC)	
O'Neil, H. P. (Quinte L)	
Pope, Hon. A. W.; Minister of Natural Resources (Cochrane South PC)	
Reed, J. A. (Halton-Burlington L)	
Reid, T. P. (Rainy River L-Lab.)	
Robinson, A. M. (Scarborough-Ellesmere PC)	
Rotenberg, D. (Wilson Heights PC)	
Ruston, R. F. (Essex North L)	
Smith, S. L. (Hamilton West L)	
Stephenson, Hon. B. M.; Minister of Education and Minister of Colleges and Universities (York Mills PC)	
Stokes, J. E. (Lake Nipigon NDP)	
Turner, Hon. J. M.; Speaker (Peterborough PC)	
Walker, Hon. G. W.; Minister of Consumer and Commercial Relations and Provincial Secretary for Justice (London South PC)	
Welch, Hon. R. S.; Minister of Energy (Brock PC)	
Wildman, B. (Algoma NDP)	



Ontario, LEGISLATIVE ASSEMBLY

RS
No. 90

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Thursday, November 5, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Thursday, November 5, 1981

The House resumed at 8 p.m.

STANDING COMMITTEE ON PROCEDURAL AFFAIRS (continued)

Resuming the adjourned debate on the motion for adoption of the third report of the standing committee on procedural affairs on agencies, boards and commissions.

Mr. Gordon: Mr. Speaker, I would like to respond briefly to the recommendations made by the procedural affairs committee about the Board of Ophthalmic Dispensers.

In regard to recommendation nine, the board is in the process of developing a draft bill in consultation with the Ministry of Health. This bill will provide a forum for the review of some of the matters raised by the committee. For example, the committee recommended that the name of the act be changed from the Ophthalmic Dispensers Act to the Opticians Act. This is being considered.

In recommendation 10, the committee recommended the ministry make a determination as to who amongst ophthalmologists, optometrists and opticians should be made responsible for the fitting of contact lenses. It is the ministry's position all three professions should continue to be allowed to fit contact lenses.

When fitting contact lenses, opticians rely on a prescription provided to the patient by an ophthalmologist or optometrist. This prescription ensures that quality standards are laid down and that the patient's ability to wear contact lenses safely has been determined by an ophthalmologist or optometrist. Should the patient's eyes have a medical contra-indication to the fitting of contact lenses, this would be indicated on the prescription by the physician.

Opticians are trained to fit contact lenses. The programs for opticians at Georgian College and Seneca College include courses in contact lens fitting. In addition, Seneca runs a post-graduate course for opticians who intend to specialize in contact lens fitting. The Board of Ophthalmic Dispensers runs programs to train already licensed opticians.

The ministry believes the competitive market for the provision of contact lenses and spectacles

is in the public interest and that all three professions should continue to fit contact lenses.

As to recommendation 11, when the Ophthalmic Dispensers Act is revised or re-enacted, it will remain a separate act. There is no plan at present to include opticians in the Health Disciplines Act. Existing accountability mechanisms will be strengthened in the new act making it comparable to the Health Disciplines Act.

Various other issues were raised in the committee's report without recommendations being made. All these have either been addressed in new regulations which were put in place last year or are being reviewed in the process of developing new legislation.

The report says a serious conflict-of-interest problem exists with the Board of Ophthalmic Dispensers. I would like to point out to the Legislature that no evidence was presented to the committee to substantiate this allegation, although concern was expressed that Imperial Optical employees dominated the board. Currently only two of the 10 members of the board are employed by Imperial Optical.

Mr. Charlton: Mr. Speaker, I would like to start out my comments this evening by going back to some of the remarks made two weeks ago this evening by the Chairman of the Management Board of Cabinet (Mr. McCague) in his comments on this report. I would like to start at the beginning of his comments where he said the government has been able to accept some recommendations and not been able to accept others. He was referring in that quote to the specific recommendations in this report and the fact that some of them have already been implemented and some have not.

The procedural affairs committee of this House is probably the most nonpartisan committee that exists in this place. Those of us who have been members of that committee for some time, from all parties, have prided ourselves that we have been able—in most cases at least—to overlook the partisan political aspect and deal with issues, both procedural and related to crown agencies, boards and commissions, from a logical and unbiased perspective.

The recommendations of the committee con-

tained in this report were virtually unanimous by all members of all parties on each and every one of the recommendations. Perhaps the government and the Management Board should be looking at this report from that perspective—that we tried to assess each one of the agencies we reviewed honestly from the point of view of their usefulness and whether they were adequately fulfilling the functions they were created to fulfil.

I specifically refer to comments the Chairman of Management Board made that the government was somewhat proud that it has had conflict-of-interest guidelines in place for some years. We accept that comment and do not have any quarrel with the contents of those conflict-of-interest guidelines. However, we found in reviewing agencies, boards and commissions not only in September 1980 but again in September of this year when we were reviewing an entirely new set of agencies, boards and commissions, not one of the ones we reviewed were aware of those guidelines. Not one had ever heard of them or knew anything about what was contained in those guidelines.

The case that became particularly blatant this year for example—a full year after we made this recommendation about guidelines for conflict of interest—was that of the Ontario Racing Commission. They said not only were they not aware of any guidelines on conflict of interest but they did not see the potential conflict of interest that existed on their board. It was clearly in violation of the guidelines the Chairman of Management Board referred to.

8:10 p.m.

So whether or not the Management Board of Cabinet has a set of conflict-of-interest guidelines is irrelevant to the recommendations of this committee. If those guidelines were intended to apply to all agencies, boards and commissions most certainly the people who run them have never been told. Neither have they ever been given those guidelines nor have they ever been approached about the need for conflict-of-interest guidelines, whether they are universal guidelines set by Management Board or conflict-of-interest guidelines they set themselves.

Although this year's report has not been finalized and I am therefore not in a position to discuss it this evening, I am afraid it is quite likely the same recommendation will be made in this year's report. If nothing else, that should say something to the Chairman of Management Board about the communication process over

there. I think it is important that he review the comments he made in this House two weeks ago and that he make some effort to ensure that the guidelines we are now aware exist get circulated to all of the 280-odd agencies, boards and commissions to which he refers.

I want to comment on some of the specific recommendations. The first set of recommendations in the report deals with the Ontario Educational Communications Authority. We found when we were talking to the people who run that authority that it has developed and is continuing to develop programming, in some areas at least, that the government and the people of this province have reason to be proud of.

On the other hand—and it is part of what we have recommended in this report—the flexibility of the authority to market some of its programming effectively outside Ontario is limited. This is especially so in children's programming, which is particularly good both from the educational point of view and because of its uniqueness and its appeal to people, not only here in Ontario but right across the country and perhaps even around the world. It has been somewhat limited and somewhat hampered by the approach this government has taken to funding that authority during the last number of years. This is a complaint we have had with a number of ministers and ministries.

The government's approach to funding has hampered the Ontario Educational Communications Authority from marketing effectively, to the extent that the costs to the taxpayers of this province are higher than they should be instead of much lower. The reality is that in some areas the programming is so good and so marketable that the authority would be in the position, if allowed to do so, to substantially reduce its financial demands on the taxpayers of Ontario. It could largely fund its operation from the sales of some of the work that it does and to expand its ability to produce that unique and useful programming if it had received the kind of assistance from the government that it should have.

That comment is particularly relevant in the context of what this Legislature has been talking about over the last four years in relation to restraint, hard times, balancing the budget and a number of other items we have had to go through. It would be very nice for a change to see one of the government agencies, assisted to whatever degree is necessary, get to the point

where it can become self-financing for all intents and purposes and still perform the same benefit for all of the people of Ontario.

The second bee in the committee's bonnet in relation to the Ontario Educational Communications Authority was the question of serving all the people of Ontario. Although the authority is serving 90 or 95 per cent of the people—and we applaud that—five or 10 per cent, unfortunately, do not have access to the programming that authority provides. The programming is useful, very beneficial, and they do not have effective access to it. One problem area is Windsor, specifically the areas outside the city. Some areas of northern Ontario are other problem areas.

The other major problem our committee found with the authority was that the government needed to provide, not a lot but just a little additional capital financing on a one-shot basis. Then the authority could expand its operations and make them available to all the people in this province. We would like very much to see that happen as quickly as possible.

The second agency dealt with in the report was the Ontario Lottery Corporation. We found a number of problems related to the way in which this agency was fulfilling its mandate. The committee was led to believe the Ontario Lottery Corporation was originally created so the province could attempt to deal with lottery money already being put out by the people. It was to make an effort to see that lottery money stayed in Ontario to serve the same kind of useful and charitable purposes that lottery money was serving somewhere else in the world.

Although that was probably the mandate it set out to fulfil initially, and it accomplished that fairly quickly, we found the Ontario Lottery Corporation has turned into a rather aggressive commercial operation expanding rather rapidly in spurts. We were not quite sure—at least I am certainly not sure—the expansion of that whole process in the lottery sector is in the best public interest.

8:20 p.m.

We started out in this province with one lottery, Wintario, and we now have four. During the course of our hearings with the Ontario Lottery Corporation we suggested to them we did not want to see any further expansion of their operations. We said we did not want to see any further endeavour on their part to expand the number of lotteries and the way lotteries were run, attracting even more money than they were already attracting.

Yet within months of our session with the corporation, within months of us telling them from the perspective of all three parties that we did not want to see that corporation dragging any more money out of the people of Ontario, the Provincial was changed from a monthly to a weekly lottery. We all have seen those people who get hooked on those kinds of things—those people who really cannot afford to buy the lottery tickets, but continue to do so anyway. We saw the Provincial lottery become the first weekly lottery in Ontario. Many people in this province find themselves in difficulty with those kinds of hopes and dreams of potential wealth—those who used to buy one Provincial lottery ticket a month for five dollars and now run out and buy one a week for five dollars.

At some point this government has to sit down and decide what its policy is on the proliferation of lotteries in Ontario. It has to take a look at the social effect of lotteries and make a firm policy statement on the future of lotteries in this province. At present, although there is a minister across the way who is responsible for this corporation, it sets its own mandate now. This is the best we could gather from the people who run the Ontario Lottery Corporation. For all intents and purposes they are now setting their own mandate. They decide what they want to do, where they want to go, how many lotteries they want to run and then have their decisions rubber-stamped by the government.

There seems to be no political social policy over there in relation to how this lottery corporation should operate. I think it was very clear from all the members of our committee of all parties that we did not want to see the lottery corporation move in the aggressive overly-businesslike direction it was moving. It was for the sole purpose of increasing its take every year, as opposed to sitting down and dealing with how it should operate in a proper social fashion in Ontario.

In our last recommendation on the lottery corporation, we have asked that this government sit down and work out a policy and that the Management Board of Cabinet table in the Legislature some guidelines as to how this lottery corporation should operate in the future. I think it is a very important recommendation and I do not want to see it left aside by the government. We were assured by the lottery corporation when it was before us a year and two months ago that it had no intention of expanding its operations any further.

Five months after they talked to us last January it did expand its operation again. If this government does not take some action to set policy and some carefully thought out guidelines, both from the perspective of what it wants to accomplish in dollars and cents and in social responsibility, that corporation is going to end up out of control. The prime objective of the people running it is to maximize the number of tickets they sell and the number of dollars they take in and pump into the system. It is not a socially beneficial tax to be applying in this province.

The last speaker made some comments about the Board of Ophthalmic Dispensers. I do not want to make many comments in this area because a couple of my colleagues who spoke two weeks ago went into fairly great detail on these recommendations. This was the one agency we reviewed where we found three groups working in basically the same field—not identical fields but overlapping fields—where the competition, the distrust and the dissent among them, in terms of who should be doing what, was not only significant but somewhat bitter.

Early in the course of the hearings on this Board of Ophthalmic Dispensers, a gentleman by the name of Mr. McLean who was a practitioner in my riding came to see me because he read about it in the newspaper. He is a former chairman of this board and his comments were somewhat confusing to me because I am not totally familiar with the field. I would not want to put myself in the position of taking his side or anybody else's side in this argument.

I see the minister shaking his head and smiling. I do not know the answers to this question because I am not familiar enough with the expertise of the various groups, but it became clear to me there is a problem there and somebody with some expertise in the field needs to sit down and attempt to sort it out. The bitterness that exists between the three groups involved and the way they seem to be going at each other's throats cannot be serving the best interests of the people of this province who need eye care of one form or another.

I am not suggesting to the Minister of Health (Mr. Timbrell) that any one of the several positions put to us is right. I do not know the answer to that. But I think everybody on the committee perceived a problem that needs to be looked into, probably by the Minister of Health. I have never seen such feelings in any competi-

tion between competing professional groups. We have all seen them between dentists and denturists and between a number of other professional groups, but the animosity and bitterness in this case seemed extreme. The problem needs to be dealt with. I am going to limit my comments to that in relation to this agency because I am not familiar enough with the specific expertise that each of these groups are supposed to have. I, therefore, do not have a good handle on who should be doing what. But certainly there is something there that needs to be looked at.

8:30 p.m.

The next group we looked at was the Ontario Labour Relations Board. We as a committee were basically satisfied with the overall operation of the board. It was one of the boards we reviewed where there was never any question about whether that agency should exist. But we did find a number of minor problems. One of the problems we found with the labour relations board—and it is reflected in our first recommendation on the board—was that it had been set up to reflect the problems that occur in the industrial and private sector areas of labour relations. We found that to a large degree the representation on the board did not properly reflect some of the newer areas that have come under the jurisdiction of the OLRB. Those were in the white collar areas and those of the public service that have become particularly active in trade union organizing over the last decade. That was the first problem we saw—the need to update the board and to get people who represent both management and labour on the board in those new areas that have been gone into.

We also found one other basic problem. That was the problem of the forms the labour relations board uses. All the forms the board uses are in English, regardless of the area of the province it serves, regardless of the area where the problem arises. Even in those areas of the province that have been designated by this government as French-bilingual for services from other ministries, forms from the labour relations board in the French language were not available.

They were not available in areas of this province, like here in Metro Toronto or in downtown Hamilton, where there are large ethnic communities. Ethnic working people are the very ones who are having the greatest number of problems in the labour relations field, where there are people who are trying to

deal with their problems at the labour relations board. There was very little assistance for those people in their own language. That is another problem that should be dealt with. Those were the only two real areas of concern we found.

The Ontario Northland Transportation Commission was the next agency we reviewed in 1980. We found a number of interesting things in relation to that commission. One of the problems we found was the whole way in which the commission is doing its bookkeeping. We not only found ourselves confused when we started trying to look at its figures, but when we started asking the people there questions we got them totally confused as well, simply because there are two very definite aspects to the operation of that commission.

One aspect is the transportation that is being provided in northern Ontario in areas where transportation is just not an economic proposition. That is why there was no other form of public transportation. There were no railways, no bus lines, no trucking companies, there was nothing, simply because in those areas the population was so small and the need for service so limited that transportation was just not an economic proposition.

This government made a commitment to provide subsidized transportation in those areas, and rightly so. We understand that, we concur with that; we want to see that continue and perhaps even to see it expanded.

The Ontario Northland Transportation Commission now has another major mandate, which deals with those aspects of the Ontario Northland operation that do not fall into the subsidy category. There are operations of the Ontario Northland Transportation Commission that are straight commercial operations. They are money-making operations; they are in competition with other commercial operations in the transportation field.

It is our view on the committee that those two aspects of the Ontario Northland Transportation Commission should be carefully separated, in estimates, in their financial reports and in their annual reports, so that it is clear to us here in this House, to the people of northern Ontario who have to deal with that commission regularly and to the rest of the people in the province who might take an interest in the operation of that commission—not necessarily citizens and voters, but perhaps some of the commercial operators who find themselves in competition with the strictly commercial aspects of that commission—so that it is clear to everybody

who might be concerned how much the people of Ontario are subsidizing those areas that are not economically viable in terms of transportation and, therefore, so it is clear to them what subsidies we have to provide.

At the same time, it should be clear just how commercial and how competitive the commercial parts of that operation really are. Are they being competitive? Is some subsidy money going into those commercial operations to make them competitive? Is that commercial part of the operation really as profitable as it appears to be, or are they competing with other private sector operations on an unfair basis?

Although the commission assured us they were profitable, they could not tell us for sure whether any small subsidy went into them, because they were not sure themselves. There is a very clear need to clean up the bookkeeping in that operation so that those two aspects of the Ontario Northland Transportation Commission are cleared up and laid out well.

There were also some serious problems in the bookkeeping with a clear line on the unfunded liabilities against the commission's contributory pension plan. That needs to be cleaned up as well, because again everybody knew there was a problem there, including all the people from the commission board, but nobody was exactly clear how much of a problem there was or what it would cost them to fix it.

8:40 p.m.

There was also a question of one of the commercial operations of that commission, an operation called Star Transfer. Our committee recommended that the sale of Star Transfer not proceed, at least until all other aspects of all other alternatives had been investigated. Because, although Star Transfer was supposed to be—and this was where the question of subsidy versus commercial operation comes in—supposed to be one of the commercial operations of the commission, it was also providing service in areas that were not economic in terms of transportation needs.

The problem we found was that, although the commission was saying to us, "This is supposed to be one of our commercial operations, but it is losing money," they could not tell us exactly which portion of Star Transfer's service area was really commercial, which portion of it was really competing with other private sector companies and which portion of it was really dealing with those areas in the north that nobody else would service.

They knew there were both aspects. They

were clear that there were some areas where, if they sold Star Transfer to a private operator, there were all kinds of runs in Star Transfer's service area that would be cut because they were not economic. But there was no clear picture on the part of the commission of which of those runs were commercial and which of them should have been subsidized by the mandate that the original Ontario Northland Transportation Commission was given. It was supposed to be one of their commercial operations, but it was not in total because they were trying to provide both services.

The question became that the government was saying to us that Star Transfer is supposed to be a commercial operation and because it is losing money it wants us to sell it, but, on the other hand, we know that some of the runs that Star Transfer performs in terms of delivering goods and services to small communities in the north will get cut if we sell it to a private operator in the north, and there will be no transportation service into that little general store to get supplies of food for the people in those communities. Nobody could tell us clearly which was which and how many areas would be affected if those runs were cut.

Hon. Mr. Snow: How would a Socialist from Hamilton Mountain know anything about that?

Mr. Charlton: The only reason I know anything about it is that the people from the commission told us, thank you.

There is a serious problem there that needs to be looked at. That again was why we were saying that the mandate of the Ontario Northland Transportation Commission needs to be clearly separated out into those areas where it is providing a public service because it is not economic in the commercial sector and those areas that should be purely and strictly commercial.

Mr. Wildman: You represent the people of Ontario, not just Hamilton Mountain.

Mr. Charlton: Exactly—especially the people of northern Ontario, because if I do not, my colleague here may have some harsh words for me when I get outside.

We also dealt with the Liquor Control Board of Ontario. We found some serious problems there. The first basic problem we found was with the hiring policies of the LCBO. I should say that the then minister, now the Minister of Community and Social Services (Mr. Drea), came before the committee. In fact, he was the only minister of all the agencies, boards and

commissions we have looked at in the last three years who has come before the committee. But he came before the committee in a very defensive role, very strenuously, as he has done in this House, denying that there are any problems with hiring policies, even though members of the committee threw a number of specific examples at him.

There is no question that, although there has been some effort on the part of the former minister in question and a number of others to clean up the hiring policies of the LCBO, there are still some problems, and those problems have to be dealt with.

Mr. Wildman: You are not suggesting there is patronage involved in the hiring at the LCBO, are you?

Mr. Charlton: There is not only some patronage involved but also a little sidestepping and bad labour practice involved.

I had a recent case. This is a year after the hearings at which the minister assured us flat out that if there were any problems he would personally go out to the local area and stamp them out. This is an entire year later, and I got a call from some people in my riding. The woman in question has been working in one of the LCBO stores for a number of years. She is what they call permanent part-time.

Mr. Wildman: Casual.

Mr. Charlton: She is not casual; she is permanent part-time. She is part of the union.

Mr. Wildman: But she cannot get a full-time job, can she?

Mr. Charlton: Not only can she not get a full-time job, but also there is a second problem. I have no way of knowing whether it is because of somebody here in the head office or whether it is a local manager who is causing the problem, because in my efforts to get to the root of it, nobody talked.

She has worked for them on a permanent part-time basis for some 12 years, and they have to pay her the full union rate. They cut her hours from some 17 or 18 hours a week to an average of four or five hours a week, and they are bringing in nonunion part-timers to fill in the rest of the time at half the rate.

That is not a labour practice this government should be proud of, nor is it one it should allow to continue. That says clearly to me that there are still some problems in hiring procedures and labour relations procedures at the LCBO. They still need to be looked at more carefully than the government is prepared to do.

The other thing we learned through the course of our discussions with the people from the Liquor Control Board of Ontario was that their prime objective, bar none, was revenue raising for the government for the consolidated revenue fund, that place where all the taxes in Ontario go.

We have no objection to the LCBO raising revenue for the Treasury of Ontario, but if that is what it is going to be let us make it clear to the people of Ontario that is what it is—not a board set up to control the sale of liquor in Ontario but a board set up to maximize the sale of liquor. It is to take in as much money for this government as it possibly can, not only through the liquor taxes but also through its markup policies. It is a very commercial operation.

If that is what the major mandate of this board is, then let us be honest. What we have recommended is that the Liquor Control Board of Ontario should be moved to the place where it rightfully should be, the Ministry of Revenue, so it can be administered as a tax program and so it can be up front where everybody can see it.

All we have seen up to this point, in terms of the budget and budget policy in this province, is the specific tax on liquor; but the Treasurer does not set forth the markup policies of the LCBO as part of his budgetary process or his revenue-raising process, even though that is how it is being used.

8:50 p.m.

That was the last agency we looked at in 1980. I want to go back just for a moment to where I started out, talking about conflict-of-interest guidelines. I want to repeat briefly what I said at the outset, that this committee recommended that the Management Board of Cabinet introduce legislation establishing rules governing conflict of interest with respect to all agencies. Two weeks ago tonight, the Management Board of Cabinet told us that had already been done some years ago.

Although I cannot get into the content of what this year's report will say, I want to repeat that that whole conflict-of-interest question was an issue before our committee again this year in the agencies we reviewed. The fact that conflict-of-interest guidelines supposedly exist means nothing, because none of the agencies we reviewed knows anything about them.

I urge the Chairman of the Management Board to take on the responsibility of seeing that every agency, board and commission is made aware of those guidelines. He stood up very proudly two weeks ago and declared to this

House that they already exist and it is not a problem. Since he is responsible for administering those kinds of things, I urge him to take on the personal responsibility of apprising every agency, board and commission in this province of the existence of those guidelines and their content and of seeing to it that each one responds by dealing with those aspects of the guidelines that affect their operation so that we will not have to ask for conflict-of-interest guidelines again next year.

I want to wrap up my comments there. We found the process of reviewing the agencies very useful. I think all members of the committee found it a useful process. In some cases, we were actually able to offer some assistance to those agencies. If they felt they needed assistance in terms of changes in legislation, new mandates, a plug for additional funding in a particular area of their endeavour or whatever that they had not been able to get, we were able to help them go after it.

Over the course of the last three years, all of us went through a useful learning process about some agencies that some of us had not even heard of before. But I want to repeat that this was an all-party committee and very nonpartisan in its approach to the agencies reviewed. For the most part—there may have been one or two exceptions—the committee's recommendations, made in its third report on agencies, boards and commission, were unanimously endorsed by all committee members from all parties.

In that light, the Management Board of Cabinet and its chairman should sit down and look again at some of the recommendations they found themselves unable to accept and perhaps even talk to some of their own members on the committee who reviewed that agency so they can better understand the kinds of things we heard and learned that caused that recommendation to come out.

I know full well from the Chairman of Management Board of Cabinet's comments made here last week that some of the recommendations he found himself unable to accept were recommendations about an agency that he knows no more about than the members of our committee knew before we sat down and talked with them.

I am asking that the Chairman of Management Board of Cabinet reconsider some of those recommendations and that he do it in the light of asking some of his colleagues for

comments and perhaps even of going and talking to people on the agency involved about the realities of the operation of that agency.

Ms. Fish: Mr. Speaker, my remarks will give some information and an update on some of the matters touched on in the recommendations that speak to the Ontario Educational Communications Authority and in those that speak to the Ontario Lottery Corporation, with the exception of recommendation eight, which is directed to the Management Board of Cabinet.

I want to deal with the first two recommendations together, because they really are related. The first suggests that OECA pursue alternative funding sources, notably from the private sector, and the second suggests that OECA adopt a more aggressive marketing strategy for the sale of its programs.

I think it might be interesting to note that, between 1979-80 and what is projected for 1981-82, OECA expects an increase in its non-Ministry of Culture and Recreation and non-Ministry of Education revenues of approximately \$3.3 million.

Fully one third of the slightly more than \$3 million increase that is projected is expected to come from additional sales. Those sales are the result of some considerable attention that OECA has been paying to the possibilities of marketing its programs in precisely the fashion that I believe was contemplated in recommendation two.

That increase, which has been steady over the years in the areas of other revenue and sales but which has shown a marked increase in more recent years when a more concerted effort was put into it, certainly speaks as well to the first recommendation, which calls on OECA to diversify its revenue base and funding sources, again notably from the private sector.

I suspect that the first recommendation was speaking to something other than sales—sales are indeed specified in the second recommendation—in an effort to suggest that the authority might look to a variety of other possibilities or options that might be available to it for raising money.

It is useful to note that in September 1980, a very short time before the formal filing of the report that is before us this evening, TVOntario undertook a major reorganization, part of which included the establishment of a revenue development branch and a marketing branch. Both of the new structures that were developed have now had an experience of close to a year,

and both of them have been involved in the question of alternative funding for OECA, again notably in the private sector.

However, the question of the proportion of private sector funding and the type of private sector funding that might come to OECA has been a subject of discussion and consideration even beyond the framework of the report that is before us this evening, notably when OECA was considering the possibility of expanding alternative funding sources. The authority was looking primarily at two possibilities. One of them was individual memberships, a fairly common, simple, and I suspect relatively noncontroversial aspect of private sector dollars; and the second was what the authority has termed corporate donations or corporate memberships.

9 p.m.

This area was reviewed in part in the last few months, albeit not in completely explicit terms, by the Canadian Radio-television and Telecommunications Commission when the matter of TVOntario's licence came before.

I think it is noteworthy that the CRTC did not announce its renewal of the network licence for the next five years until September 30, 1981. That is a fairly recent CRTC decision. However, in the course of issuing its decision and considering various aspects of the licence renewal, the CRTC was advised by TVOntario that they did not anticipate anything more than approximately 14 per cent of revenues through public and corporate contributions.

Even within that, however, the CRTC did express some concerns, which certainly have been echoed in other forums, about the kinds of programs that would be funded, not from individual memberships but through corporate memberships. The licensing decision seemed to indicate that the CRTC would not permit underwriting news and public affairs programs or children's programs from the corporate contribution sector.

Members will realize that, notwithstanding the efforts of OECA to diversify its revenue sources and to engage in some considerable fund-raising efforts, notably in the private sector, the authority must operate within the clear guidelines and bounds of the CRTC decision that provided the renewal of the licence for the next five-year period.

I will turn now to recommendation three, which seeks the extension of TVOntario broadcast services and notes a couple of particular areas. I wish to bring members of the Legislative Assembly up to date on where we stand with

respect to new transmitters announced last year and at the beginning of this year for Timmins, Owen Sound and North Bay, which represent quite considerable additional coverage throughout the province of TVOntario broadcasts.

Just before I move into that update, it is useful to advise members that the question of those transmitters was also a matter for consideration and approval by the CRTC.

In respect of the Owen Sound service, TVOntario will broadcast on channel 12. The communities that will be served by this additional service include, in addition to Owen Sound, Wiarton, Southampton, Port Elgin, Walkerton, Hanover and Wingham. It is interesting to realize that the estimated signal that TVOntario will broadcast is expected to reach approximately 132,300 residents in the Owen Sound area. We expect to broadcast some 16 hours a day, with the first off-air broadcast scheduled for January 1983.

The second area to be provided with additional service from transmitters is North Bay. Members may be aware TVOntario will be broadcasting on VHF channel six in the North Bay area. The communities served by that transmission will include North Bay, Powassan, Callander, Trout Creek, South River, Sturgeon Falls and Burk's Falls. Again, for the interest and information of members of the House, the population it is estimated will be served by the TVOntario signal in this area is approximately 75,000 residents in North Bay. TVOntario expects to broadcast for 16 hours a day, and is planning its first off-air broadcast for January 1983.

The third area that will be receiving additional service as a result of the transmitters is the Timmins area. In Timmins TVOntario will be broadcasting on VHF channel seven. The communities that will be served through that broadcast will include Timmins, South Porcupine, Cochrane and Iroquois Falls. The population TVOntario hopes to reach through this additional service is some 63,300 residents in the Timmins area. As with the others, TVOntario expects to broadcast for 16 hours a day, and its first off-air broadcast is scheduled for September 1982, somewhat ahead of the others in the scheduling of transmission and service.

In that recommendation the committee made special reference to the question of service in the Windsor area. Windsor has been a bit of a problem for TVOntario for a considerable period of time, and it is certainly not for lack of trying that there has been somewhat lower

coverage in terms of the number of individual homes in the Windsor area that are watching TVOntario.

I think it is useful to explore for a minute what some of the difficulties are. The location of the TVOntario transmitter is one of the problems. The transmitter is located on a side of Windsor that residents tend not to turn their antennas towards. Residents tend to turn their antennas so they can receive American television broadcast services. One might say, "In that case why do we not simply move the transmitter so it will broadcast from a direction that residents have set their aerials and antennae to pick up?"

There are two significant problems. One of them, obviously, is cost. We have an existing transmitter, and to alter its location would be extremely costly, notably when there is continued pressure from this committee as well as from other members of the Legislature and other forums to continue to expand the availability of TVOntario throughout the province. There is some question, therefore, particularly when one considers the very high cost of relocating the transmitter, whether dollars should be devoted to that relocation rather than to building an additional transmitter in an area that now does not have service.

The second problem in relocating the transmitter is that in order to place it in the location from which it is likely to be best received in accordance with the way Windsor residents now aim their antennas means that we would have to place it on US territory. That seems like an odd thing for TVOntario to do, and, frankly, the Ontario Educational Communications Authority is not contemplating it.

In an effort to move instead to encourage some residents in the Windsor area to tune in to TVOntario, to be aware of the kind of programming that is available and to move in a direction where we might perhaps compete with some of the other programming, TVO undertook a very significant awareness project in 1979 using summer students. The project itself, according to TVO's own monitoring, suggested that it increased awareness very substantially among Windsor residents of TVO's service. In an effort to build on that initial base of a couple of years ago TVO has also increased its local advertising and generally its promotional efforts, including, for example, its program listings in local publications, newspapers and so forth.

9:10 p.m.

Finally, I think it is useful to note that in a number of communities that are as developed,

for example, as Windsor, TVO is often received on a cable service. Cable, of course, does not operate in Windsor and appears likely to continue, frankly, to be economically unviable, in view of the competition that is readily available from the number of off-air signals it is possible for residents to pick up directly.

TVO will be monitoring that situation carefully, and if pay TV comes forward, or if other activity comes in with cable companies, that would certainly be something the Ontario Educational Communications Authority would want to be very much a part of. It would want to have its programs, information and so forth brought into homes perhaps more directly and without the kind of problem I was discussing earlier with transmitter locations in the Windsor area.

I move, Mr. Speaker, to recommendation four, which is again speaking to the OECA. It is calling for the adoption of a standard accounting format similar to that found in other government departments and agencies when presenting the authority's annual report. I am advised there was some considerable discussion of this in the committee prior to this recommendation coming forward. Committee members reportedly were made aware that TVO's financial statements—the categories and so forth, the manner in which the information is both broken down and then subsequently aggregated—was specifically designed for the needs of the OECA. Then OECA could be quite certain of where its funds were going, in a reporting mechanism that was going to make sense in terms of their main charge, which is educational and public programming across the province.

The authority is indeed sensitive to the concern of members of the Legislature that the information contained in the report be placed in a form that is somewhat more familiar to members and that might be more readily comparable with information that comes from other sources as well. To that end, I am very pleased to advise members that while the last annual report, which was presented in September 1980, was done only in the form I described earlier of the accounting method and presentation that was suitable particularly for OECA, the next report covering 1980-81, which is now very near completion, will have a dual reporting element to it.

The financial information contained in that report will be structured and set out both in the traditional fashion for OECA and its purposes and in a more standard government format to

make a translation of some of the figures and a comparability of some of the figures that much easier for members who may wish to review the report. When the next report comes forward for consideration I hope we will see some acknowledgement of the changes that have been made in that regard.

I move now to three recommendations that deal with the Ontario Lottery Corporation and were directed to the Ministry of Culture and Recreation. Dealing with recommendation five, which suggests that the Ontario Lottery Corporation review what has been termed an aggressive marketing policy, it is instructive to realize that something in the order of two per cent of sales are spent on advertising by the lottery corporation, a figure much in line with any average sales-advertising ratio one can find in almost any area of activity, whether a public corporation engaged in sales or a private corporation.

Even with two per cent, fully one-half of that figure, one per cent, is devoted to informing winners they have won. In terms of marketing directed to telling people about the lotteries, as distinct from advising them who has won, it is only one per cent of sales.

The questions of strategy, of the amounts to be devoted to these areas and of the types of media to be used to put the message from the lottery corporation across to the citizen, whether that message is by way of information in respect to the games the corporation administers or whether it is informational in respect to those who have actually won, are under regular review by the board of the lottery corporation and decisions in that regard cannot be taken without that board's approval.

I move to recommendation six, also addressed to the lottery corporation, which requests that a moratorium be placed on the proliferation of its lottery games. I can advise the House that the lottery corporation has indicated to the minister it does not contemplate any expansion or additional games at the present time.

I move to recommendation seven, the final recommendation about which I will be able to provide information to the House this evening. That is the recommendation which deals with the question of the rates on commissions for distributors with regard to the tickets in the several lotteries.

Some information might be useful for members of the Legislature in this regard. As a general piece of information, the total commissions to distributors for 1980-81 was approxi-

mately 1.6 per cent of sales in terms of the amount or the scope of expenditures of the corporation that went into commissions, in this case for distributors, which is specifically referenced in recommendation seven.

Mr. Ruston: That is 1.6 per cent of what?

Ms. Fish: It is 1.6 per cent of sales, I am advised, for 1980-81.

Taking it down to information on the commissions that are paid and the commission structure in terms of individual tickets, is another way to examine the question of what the commissions are. For the information of the House, I have reviewed some of those and I would like to share them with the members because I think some of the figures on the decisions of the corporation in this regard are indeed interesting. I should add, the corporation does undertake periodic reviews of the commission's structure with respect to the tickets in the games which it administers.

In terms of Wintario, which of course is a dollar ticket, it is interesting to note that in April 1975 the commission rate structure was seven cents per dollar ticket sold or seven per cent, a fairly high commission per ticket. In July of that year the rates moved down to five cents for the first 50,000 tickets sold, four cents for the next 50,000 sold and 3.5 cents for each of the next 100,000 sold. In May 1976, the lottery corporation, having reviewed the matter yet again, reduced the commission still further to their current rate, a rate which was set in 1976 and which has not altered since then, of three cents on the first 100,000 and two cents on all tickets thereafter. Quite a considerable reduction from the original seven cents and from the subsequent mixing formula of July 1975.

In the case of the Provincial, which is a \$5 ticket, the September 1976 rate structure on commissions was set at 15 cents per ticket sold. That was reviewed as recently as January 1980 and reduced to 11.25 cents per ticket sold. Phrased another way, it is something in the neighbourhood of 2.25 per cent of the actual ticket price.

In the case of Super Loto, a \$10 ticket, the rate structure, which was set in January 1980 at the time the Provincial rate structure was altered from 15 cents to 11.25 cents, was set at 22.5 cents for each ticket sold. Again, expressed in percentage terms, it works out at 2.25 per cent.

I think that information provides a general overview for members on the several recommendations that were addressed to Culture and

Recreation with respect to the Ontario Educational Communications Authority and the Ontario Lottery Corporation.

The Acting Speaker (Mr. Cousens): Is there any other honourable member who wishes to participate in this debate?

Mr. Robinson: Mr. Speaker, I also take pleasure in participating in the debate on the report on agencies, boards and commissions this evening.

As a new member of the Legislature, it has been my pleasure during the past number of weeks, indeed since the end of the summer, to participate in the review of a number of agencies which will be introduced into this House sometime in the very near future.

During our review this year, we again identified many of the same difficulties, the common practices which may not have been entirely desirable—similar characteristics and some different ones that were encountered in the report we are reviewing tonight.

I think one of the most difficult areas we were asked to take a very serious look at in a general sort of way was the matter of conflict of interest on agencies, boards and commissions. Conflict of interest is a very difficult and a very individual matter. Within the municipal framework of Ontario, there are a number of places where conflict of interest takes on a very specific and very exact meaning. The guidelines for it were recently very well defined to the extent one need not declare specifically a conflict of interest in a municipal debate but only the potentiality or the possibility of having any conflict of interest whatsoever.

That sort of exactitude has not been conveyed at this point to the agencies, boards and commissions of the Ontario government, although there are reasonably strict and specific guidelines dealing with conflict of interest reflected in the Ontario Manual of Administration. I would like to share many of those with the House this evening. The purpose of these guidelines is to provide conflict-of-interest guidelines for government appointees to agencies.

One of the practical difficulties identified in the third report before us tonight—as will be identified in the fourth report introduced in this House in some brief period of time—is that although we are dealing in specific terms with a variety of agencies and boards, there is also the difficulty of finding people who are truly capable of being able to adjudicate. It is difficult to find people who can bring some input into a very specific area of interest or a specific area of

government or interpretation, who are completely on their own and divorced of that interest themselves.

We found that particularly in the area of the Ontario Racing Commission where, by the structure of the board at this time, there are horsemen dealing with horse-related issues. I would submit that even in the face of the guidelines we have before us now in the Ontario Manual of Administration it would be very difficult to try to come to equitable and reasonable solutions on behalf of for instance the horse community without having some input from people who are involved either in the sport or in the business of horse raising or racing.

But back to the guidelines themselves: A member is interpreted as "an individual appointed to the board of an agency by the government or elected by shareholders where the government owns shares." One of the difficult areas to come to grips with, and it is often one that is confused, is the matter of family and what actually, in a technical way, constitutes "family" from the standpoint of conflict of interest. The manual has attempted to overcome that by indicating that family includes the spouse and the children of the member. Specifically, in other debates we have had in this House and in committees, that interpretation has ranged to include in-laws, grandchildren, or nieces and nephews, but from the point of the guidelines dealing with agencies, boards and commissions it is limited and includes spouses and children only.

Another area of interpretation this guideline attempts to come to grips with is the area of what is a pecuniary interest. Under these guidelines it is interpreted to be that of an individual interest rather than an interest common to a class of persons. Again, I draw on my municipal experience when it comes to terms of conflict of interest, because that is not as clearly spelled out municipally. In fact, I would venture to suggest to other members of this House who have municipal experience that in dealing with the business of setting tax rates or setting mill rates within a municipality or even in a more localized way—for example routing or repairing roadways—a local member of a municipal council may indeed have some pecuniary interest, however abstract, in whatever overall financial decision is made by a council.

This manual attempts to overcome that, to relieve the problem of dealing with a person of a particular class. The guidelines indicate that, "Any member of an agency who has a direct pecuniary interest, either personally or through

his family, in a matter under consideration by the agency, shall disclose that interest at the first opportunity and will refrain from voting on or participating in the matter in any other way." It also requires that, "No member shall divulge confidential information obtained as a result of his position, unless legally required to do so, nor shall he employ such information for his own benefit."

The difficulty with conflict-of-interest legislation generally is that it is very hard to define an individual and to draw the line between his individual and private interests and how he attempts to serve either the provincial community or the local community.

9:30 p.m.

"Where a member of an agency is a public servant, that member will also be bound by the conflict-of-interest rules prescribed in the regulations under the Public Service Act. In addition, where applicable, the conflict-of-interest provisions of the Business Corporations Act of Ontario, the Corporations Act of Ontario, the Canada Corporations Act and the Canada Business Corporations Act and any other act affecting the members of an agency will continue to apply."

The fact we may from time to time or in conjunction with members of the public at large appoint civil servants, their responsibility is equally onerous as it relates to the matter of conflict of interest.

"In the event of any conflict between the legislative requirements and the guidelines, the legislative requirements will prevail." Again, I think that is important for the protection of the citizens of Ontario. "Individual agencies," it goes on in part (b), "are not precluded from adopting more comprehensive guidelines which might provide for disclosure of interest in other conflict situations." It goes on in (c), "That the head of an agency is responsible for applying and administering these guidelines."

Mr. Ruston: Stop him from filibustering.

Mr. Brandt: Invoke closure.

Mr. Robinson: Isn't that charming.

Mr. Brandt: They are accusing my colleague of filibustering.

Mr. Robinson: Not we on this side of the House, surely.

It is interesting to note, again as we deal with conflict of interest and such things, there is some difficulty with a number of areas in this report. In the second report the agencies review committee made a commitment "to develop a

process to assist ministers to undertake a variety of reviews of the agencies and commissions within or under the purview or direction of their own ministries. The procedures and guidelines are outlined and they are designed to meet that commitment." We are having some problem coming to grips with this area as well, and it is reflected in the third report before us tonight.

One of the most commonly used buzzwords of government legislation is the process of "sunsetting." Sunsetting is essentially a mechanism designed to trigger the examination of all or selected government activities or programs. In its simplest form it sets a termination date for the activities or programs before which they are to be reviewed and evaluated to determine whether they should be re-established or terminated as declared.

I believe there are some 700 agencies, boards and commissions operating at this time under the government of Ontario. As we have found in some of our examinations, it may be that under close examination the mandate or the reason for having established many of these boards or commissions no longer exists at this time.

Sunsetting, by the way, has its roots in the last decade's broader debate regarding the size and growth of government, an argument that has been going on in virtually all jurisdictions across North America during the past 10 years. It relates to the difficulty of the increasing role of government in our social and economic life. Its implementation to date in the United States points to a number of constraints on its effectiveness.

Nevertheless, an appropriate sunset mechanism can assist in improving the effectiveness and efficiency of government operations if it is selective and based on realistic expectations as to what can be accomplished over a period of time and if it aims to minimize the costs associated with the uncertainty it creates and the time and resources it requires.

The essential ingredients of effective sunsetting may be summarized as follows: It may be described as the placement of the burden of proof on the proponent of an activity so that the principles of sunset are streamed into existing management systems. If a board or commission is established for a particular purpose at a particular time, either in reaction to or in anticipation of a particular public issue, it can be reconsolidated after an initial look and become part of a government program mainstream, which may allow for the sunsetting of the original group by itself.

Sunsetting also assists the central co-ordination and the monitoring to provide for consistency and objectivity. Again, if one has a specific problem or area one wants to investigate, one may be able to do it more effectively by assembling a group of individuals, skills or talents to take a one-time look objectively coming from the outside rather than perhaps using one's mainstream government programs, which may be somewhat more subjective, to examine the same area. It also provides for a strong and sustained commitment to reform in the senior levels of government.

I do not need to tell other members of this House that often, as things are in place for longer periods of time and their mandates are not reviewed, they tend to become comfortable and to become moderately self-sustaining. The application of sunsetting laws and regulations to agencies in Ontario is a very important issue but, unfortunately, because of the constraints we have, it is difficult to establish review procedures for 700 or more agencies at one time. We will attempt to do it on a staggered basis, and it should begin in an advisory way on agencies in March 1982.

While it is recognized that advisory agencies do not represent a large direct drain on the public purse and that indeed they can provide important support to government operations, the institution of sunsetting does reflect a concern that they continue to be relevant and useful. I draw attention particularly to the clause requiring that they be relevant and useful. I think I can say fairly that we probably have 700 agencies today because, without the benefit of review, many of them are no longer either relevant or useful in the terms of their original mandate.

There are also arguments to be made about the philosophy and goals of sunsetting in Ontario. The intent of sunset review is not necessarily to eliminate all agencies, nor is it necessarily to limit in an arbitrary way the activity of those agencies for which there is a continuing need. Its objective is to ensure effectiveness and efficiency in the contribution of these bodies to the overall policy and program formulation process. However, it does require the elimination of agencies that are no longer needed. It offers the opportunity to review the mandate, structure and operation of these agencies and to consider alternatives to the agency form of organization.

The more tentacles we have the more difficult it is to have a truly uniform and consistent

approach to any particular problem of government. To ensure a smooth flow in the process and the consistency of reviews in the follow-up on the decisions made, a further definition of procedures and the establishment of guidelines for both the review and the implementation plans were required. These have been incorporated in the policy I referred to earlier, and they are now published in the government's manual of administration.

In many ways it really goes without saying that it is actually very difficult to look at these agencies in a consistent manner. In some cases we have found that the original mandate, the original orders in council that established them, no longer bear any relation to the actual job being done by the agency.

It was on my resolution recently in the procedural affairs committee that we were going to look at a great number more of these agencies, boards and commissions with each year that went by in this term of the Legislature. However, the time involved in doing a thorough enough job to be able to identify whether the mandates are still appropriate or still being followed does and may create a situation where we will do a greater disservice to an agency by reviewing it than by leaving it in place to do a worthwhile thing.

Mr. Speaker, I think you will find in the fourth report on agencies, boards and commissions, which is the review of the agencies undertaken by the procedural affairs committee earlier this spring and which I hope will be presented to this House shortly, that we have again come up with some realistic recommendations, as the third report did in many ways, and that we will be able to continue at a more intense rate, which will serve a very useful purpose on behalf of the citizens of Ontario for some time to come.

The Acting Speaker: Thank you. The member for Sarnia. I saw you standing up.

Mr. Brandt: I will give the floor up if the member wishes to go first.

Mr. Bryden: I will defer.

Mr. Brandt: Thank you very much, Mr. Speaker. In the absence of the Minister of Labour (Mr. Elgie), who is currently tied up—

Mr. Mackenzie: Are you going to send this out to your constituents?

Mr. Brandt: Certainly. Would the member like a copy?

Mr. Mackenzie: No. Nobody would understand it.

Mr. Brandt: The Minister of Labour is tied up with the amendments to Bill 7 and is unable to be here, but I want to make some comments on this third report on the agencies, boards and commissions by the standing procedural affairs committee and the recommendations they have made, particularly with respect to the Ministry of Labour. I wish to speak to the recommendations that have come out of that report specifically this evening.

9:40 p.m.

As the members know, the Ontario Labour Relations Board is a quasi-judicial administrative tribunal with responsibility for hearing and determining applications coming before it under the Labour Relations Act, the Occupational Health and Safety Act and certain other collective bargaining statutes. Section 102 of the Labour Relations Act provides that the board shall be composed of a chairman, one or more vice-chairmen and such equal number of representatives of employers and employees as the Lieutenant Governor in Council considers proper. The chairman or a vice-chairman together with one member representative of employers and one member representative of employees constitute a quorum for the purpose of exercising all of the jurisdiction and powers of the board.

Recommendation 12 concerns the selection of the employer and employee side members on the board and was one of the matters that was referred to in some of the earlier comments by members of the New Democratic Party. Recommendation 12 reads: "That the appointment of sidesmen to the board be made so as to reflect the labour relations concerns of the newer category of workers that come within the scope of the act and also the increasing number of women in the labour force. While it is recognized that the cabinet has the ultimate responsibility for appointments, the board could facilitate the selection process by making appropriate recommendations."

In providing for side members, the Legislature has recognized the importance of including a labour and management perspective in the decision-making process. I fully agree, as does the Minister of Labour, that the side members bring invaluable insight to the process which enhances the quality of the board's adjudication. However, we do not accept the committee's suggestion that the present body of labour members is unable to adequately represent the interests and concerns of employees in this province.

The Minister of Labour, as I am sure members recognize, is responsible for recommending the names of individuals for appointment by the Lieutenant Governor in Council as members representative of employers or employees. It is the general practice to consult with organized labour and with employer organizations to identify potential labour and management members.

A determining factor in formulating a recommendation to the Lieutenant Governor in Council is the extent of the candidate's knowledge of and experience in industrial relations. The particular trade or industry in which the individual has acquired this expertise is only incidental. It is assumed that the skilled practitioner will be able to translate his or her specific knowledge of industrial relations to differing situations that might occur.

Moreover, given the volume and the variety of matters coming before the board, there would be great practical difficulty in attempting to match the particular industry or service from which a proceeding originates with a panel composed of side members having compatible backgrounds. This would require a significant increase in the number of labour and management members from the present complement.

I am convinced that the effective administration of the board's responsibilities requires the service of side members who are generalists and who are capable of accepting assignments, regardless of industry or service involved.

To this general principle, the act makes one exception. Section 102(5) of the act requires one of the divisions of the board to be designated as the construction industry division to adjudicate matters arising under the construction industry provisions of the act. This subsection recognizes the unique characteristics of the construction industry and, in keeping with this requirement, four of the existing full-time side members have been selected from the construction industry. It should be noted, however, that all these side members are also assigned to cases outside the construction industry and they are not limited in their areas of endeavour to the construction industry.

In recommendation 13, the committee proposes that the board create simplified forms in both French and English and in other languages, and that has been spoken to by some of the members opposite. The labour relations board has taken a number of steps to inform employers, trade unions and employees of procedures under the act.

The board publishes a guide to the Labour Relations Act which summarizes the operations of the act and its implications for both labour and management. I am pleased to indicate that the guide will soon be available in French, and the Minister of Labour has asked the board to publish it in other languages commonly in use in the work place.

In addition, the board is preparing to publish two pamphlets, one that deals generally with the rights of employers and employees under the act and another that deals specifically with the certification procedure. The Minister of Labour has requested that the board arrange for similar translations of this material so it will be available in a number of different languages for the workers of Ontario.

For the first time, the board has published its own separate annual report in which its responsibilities, composition and recent case activity are described. The first report was released recently by the board, and the Minister of Labour has made arrangements for copies to be delivered to each member of the Legislature.

All of these initiatives are intended to facilitate a better understanding of the board's role and of the rights and obligations of employees and employers under the relevant collective bargaining legislation.

At the present time, the Labour Relations Act and the regulations promulgated thereunder are in the process of being translated into the French language. The regulations include the complete series of forms prescribed for use in applications to the board.

I understand that a French-language version of form five, which is the notice that must be posted in the work place to advise employees that an application for certification has been made, is now available upon request to the board. In addition, this form is being translated into several other languages for use in the work place as required.

Those are some of my comments on behalf of the Ministry of Labour. Again, I am speaking in the absence of the minister, who is unavailable at this time. I trust this will answer the questions that have been raised by some of the members of the House.

Ms. Bryden: Mr. Speaker, I rise to speak in support of the recommendations in this report, because I think there are some very important ones in it. I hope we will get an opportunity to vote on it, but it appears to me there are a lot of speakers on the other side who are going to make sure that there is not a vote.

One of the recommendations that particularly interests me is the question of conflict of interest. There is a recommendation in the report that legislation should be brought in to ensure that conflict-of-interest rules apply to agencies, boards and commissions. It is high time we had extension of legislation in this field to agencies, boards and commissions. There have been so many cases in the past of scandals arising in connection with agencies, boards and commissions; if we had conflict-of-interest legislation, some of them would not have occurred at all.

Another recommendation that I think is very important is that the appointment of people to agencies, boards and commissions should be made much more open. There should be opportunities for citizens from all walks of life and all segments of our society to apply for membership in agencies, boards and commissions. A number of municipalities are doing this now with their special-purpose bodies and advisory committees.

It is high time this openness in appointments was adopted. Otherwise, we have what is known as the patronage system, where the appointments are all made from a secret list made up entirely by the ruling party and there is no opportunity for anyone who is not on that secret list even to be considered.

9:50 p.m.

Another recommendation that I feel very strongly about is that the hiring policies of the Liquor Control Board of Ontario should be in strict accordance with the rules of the Civil Service Commission. In the past, there have been too many cases where it appeared that people were hired if they belonged to the right party or if they had a letter from a member of the Legislature who belonged to the right party. There still appears to be the feeling that a person must have a letter from an MPP before they can be considered.

I would also hope that the rules of the Civil Service Commission would include no discrimination on account of sex. Certainly, the figures on the number of women and number of men in the employment of the LCBO indicate there has been considerable discrimination on the grounds of sex in the past. I would hope that in the very near future there would be an emphasis on hiring women to overcome the imbalance between the two sexes in the number of employees.

I am not going to speak longer, because I think that this report should come to a vote. I would hesitate to invoke closure on it, but it

seems to me there has been adequate debate and I would hope that the question will be now put.

Hon. Mr. Bernier: Mr. Speaker, if I may, I want to comment briefly on the report of the standing committee on procedural affairs that had before it the chairman and the other members of the commission.

Mr. Ruston: Use rule 36.

Hon. Mr. McCague: That's right. That is not closure. That is just a rule of the House. Where do you see closure?

Mr. Ruston: It is in here.

Hon. Mr. McCague: Show me.

Mr. Speaker: Order. The minister has the floor.

Hon. Mr. Bernier: I want to comment briefly on the report of that committee. As I pointed out a moment ago, the committee did hear from the chairman of the commission, Mr. Mathews. It also heard from the general manager, Mr. Beatty, on the overall operation of the Ontario Northland Transportation Commission.

To remind the members and to bring them up to date about the Ontario Northland Transportation Commission, I want to put a little bit of the history of the Ontario Northland Railway on the record, as I am sure some of the newer members will not be aware of the Timiskaming and Northern Ontario Act, which was approved back in 1902. It was to approve the construction of a railway from North Bay northward for approximately 114 miles to develop and serve the small farming communities situated around Lake Timiskaming, or that area now known as the Tri-town area, including Cobalt, Haileybury and New Liskeard.

During the 1903 construction period of that roadbed, particularly through the Cobalt area, silver was discovered. As we all know, at that time there was a massive silver boom in the Tri-town area that really lifted that particular area. By 1908, the railway had been extended to the Cochrane area, and it joined the transcontinental Canadian National Railway, which originated in the city of Quebec.

Gold was discovered during that time in the Porcupine and Larder Lake areas, and considerable activity was taking place in the Iroquois Falls area. These were boom times in that part of what we refer to as the northeastern Ontario corridor.

The Northern Telephone Company of New Liskeard was authorized to use the railway

telegraph lines for long-distance telephone calls. Of course, that became a very integral part of the ONTC.

For the first 10 years, there was a time of great achievement for the Ontario Northland Railway, as it was in the next two decades, because gold was discovered in real quantity at Kirkland Lake. Copper was discovered in the Noranda area in Quebec, and a paper mill was established in the Kapuskasing area.

Wherever developments occurred, the railway's role was to assist these further developments. I think that mood and that tone are still carried forward today as we see the insignia on the ONR cars referring to it as the development railway of northern Ontario.

In 1928, the commission launched its last significant route expansion, to extend the railway from Cochrane to the only seaport in Ontario, known as Moosonee, a distance of about 186 miles.

In 1937, the commission began a bus operation that provided highway passenger transportation service between the various communities in the northeastern part of our province.

During the 1930s and 1940s, the commission operated at full capacity and, I might say with a great deal of pride, it was one of the few railways in Canada at that time that earned a profit, which is something of note.

Following the Second World War, the commission launched a very extensive equipment acquisition program, acquiring about 1,000 boxcars during 1949 and 1950.

In 1947, a program of conversion from steam to diesel locomotives was commenced, with the completion of the conversion in 1955. I think it is fair to say that the ONTC was the first railway on the North American continent to become fully dieselized.

The 1950s represented a low point in the railway's operation as automobiles became the predominant passenger mode. Trucks were more and more profitable for the carriage of small goods and during the recession of the 1950s caused a significant reduction in activity. Finally, the gold mines of Kirkland Lake and Timmins were winding down at that time.

While the early 1960s started off on a very low note, I remember that time as the introduction of a new modern era in the commission's history and the beginning of a period that was to be completely different from its first 60 years.

In 1959, the commission acquired a trucking company, and the northeast had its own large highway transportation service. At that time,

the Premier of the day, the Honourable Leslie Frost, in his wisdom, recognized that the highway transportation requirements of northeastern Ontario were not being met by the private sector, and he felt that in the next short period of time the ONR should become involved, primarily to reduce the cost of transportation of goods into that part of northern Ontario.

Between 1961 and 1963, the communications branch, in conjunction with the Department of National Defence, embarked on a microwave program that would result in the ONTC having one of the most technologically advanced long-distance telephone systems in the entire world.

Those of us who are from northern Ontario take a great deal of pride in the efforts and the successes of the ONTC in the field of communications. Many of the small communities along the eastern shoreline of Hudson Bay owe their communication links to the outside world directly to the efforts of the ONR and the ONTC. They have modern telephone systems, and they have colour television.

I had the pleasure of being up in the area this past summer, at Attawapiskat, Winisk and Port Severn, and to witness at first hand the excellent service that the ONR is providing in those remote native communities.

10 p.m.

In 1962-63, an eight-mile spur line was constructed near Kirkland Lake to serve the Adams iron ore mine. In 1966, a similar four-mile spur was built near Temagami to serve the Sherman iron ore mine that was developed there.

In 1967, the biggest bonanza from the railway's point of view was the beginning of operations of the Texasgulf property at Timmins. Those of us who have been to the Timmins area are still amazed at the size of that operation. It is certainly adding considerably to the operations of the Ontario Northland Transportation Commission, particularly as it relates to their railway operation.

In the mid-1960s, we saw the beginning of what has become the famous Polar Bear Express, an excursion train running between Cochrane and Moosonee. In 1964, the twice-daily passenger rail service was reduced to a once-a-day operation. That particular operation gives literally thousands of tourists and people from southern Ontario an opportunity to visit an ocean port and take a very exciting trip along the lowlands, past such interesting spots as Fraserdale and the huge lignite deposits at Onakawana.

I am sure those lignite deposits will be

developed one day to benefit all residents in the north, and particularly in the northeast, I hope for the generation of electrical power. If not, we may see that very valuable energy resource in the lower James Bay area developed possibly for briquettes, heat briquettes or lignite briquettes, or for gasification.

I point out to the honourable members that we have a very active private sector involvement in the Onakawana lignite deposits in a firm known as Manalta Coal, from Alberta. Along with Ontario Hydro, they have spent literally millions of dollars to date doing some very extensive studies. If my colleague René Brunelle, the former Minister of Natural Resources, were here tonight, I am sure he would gloat to some extent about the amount of development.

Mr. Haggerty: They have been 10 years developing that process.

Hon. Mr. Bernier: Well, it is coming. I think the member for Erie will share with me the enthusiasm that we all share in this House about the possible development of that massive lignite deposit in the lower James Bay area.

I hope many members of this Legislature will get an opportunity to see it at first hand. In fact, while my plans have not been approved in detail, it is my hope that the members of the Legislature will join with me in a very extensive tour of northern Ontario.

Mr. Haggerty: When?

Hon. Mr. Bernier: In the late summer of 1982, I hope. Some members of the Legislature approached me about a possible tour on the Ontario Northland Railway to Cochrane last year. After some discussion, we felt that if we let it sit for a year, let the new members have an opportunity to get their feet on the ground, so to speak—

Mr. Haggerty: What about the gas and oil you keep promising?

Hon. Mr. Bernier: I will come to that. If the member is interested, I will discuss that in a moment. But I want to say to the members that I am as anxious, as I know my other northern colleagues are—

Mr. Gordon: Is the member for St. Catharines (Mr. Bradley) asking for peaches?

Hon. Mr. Bernier: Yes, they will get peaches on the trip. I am sure they will be anxious to get up to northern Ontario, to see firsthand the operations of northern Ontario and the bus service that the ONTC operates. I hope we will have an opportunity to take them through the shops at

North Bay; they are extensive, modern and up to date, and they are serving that area of northeastern Ontario with a great deal of ingenuity and innovation while keeping the costs down to a minimum. I think that is the thrust of the Ontario Northland Railway.

I might point out we have had some preliminary discussions with Via Rail on the possibility of its taking over the runs we have on the ONR. They originate right here in Toronto. Many honourable members and former members will share with me the excitement of the TEE Trains that were purchased a few years ago and unloaded right here in Toronto from the ocean-going vessels that came from Europe.

They were put into operation and now are the pride of the fleet of the ONR that plies between Toronto, Timmins and Cochrane. It is one of the most modern types of railway travel we have in Ontario. I wish Via Rail would some time take a page out of the ONR's book to let the Ontario public know what service is all about, because the ONR does an excellent job. I know the enthusiasm shown on this side of the House is shared equally by members on that side of the House.

Mr. Haggerty: How much is it subsidized?

Hon. Mr. Bernier: I do not make any apologies for the subsidy for the ONR when I look at the amount of subsidy going into urban transportation in the southern part of this province and the amount going into Metropolitan Toronto alone. This railway through the northeastern Ontario corridor is literally a lifeline that does something the major railways have not done. I think it is fair to say they have ignored that part of northern Ontario, that rich resource base of northeastern Ontario.

It was the imagination and the initiative of this government that put the ONR in place and has contributed handsomely to the development of northeastern Ontario. I think the members will share the enthusiasm I have for the Ontario Northland Transportation Commission.

I am sure the members would want to know who actually makes up the commission. It is a self-operating body reporting directly to the Minister of Northern Affairs. We have such notable northerners as Mr. W. J. Matthews, from Cobalt, who is chairman of the ONR. Mr. P. A. Burns is a commissioner who has specific responsibilities and interests in the air arm of the ONTC, northern Ontario—

Mr. Haggerty: Is Taylor on there?

Hon. Mr. Bernier: No, Mr. Taylor is not on there. At that time we had Mr. Gordon Carr, from North Bay, who served for a considerable time and contributed tremendously to the operations of the ONR.

An hon. member: Where is he from?

Hon. Mr. Bernier: Gordon is from North Bay. He is a well-respected businessman in North Bay and has had a broad experience.

Mr. Bradley: Is he a Tory? That is the question.

Hon. Mr. Bernier: I never checked whether Gord was a Tory or not. All these men were selected because of their capabilities and because of the contribution they would make to the operation of a transportation system that literally is second to none on the North American continent. I say that with a great deal of pride.

We also have Mr. L. A. Foucault, who is the mayor of Espanola and has been recently appointed—

Mr. Gordon: A former Liberal.

Hon. Mr. Bernier: Yes, a former Liberal; I am glad you mentioned that.

Mr. Gordon: As a matter of fact, he probably still is a Liberal and so is—

Hon. Mr. Bernier: I am glad the member for Sudbury (Mr. Gordon) mentioned that because he is a recognized Liberal in that part of northeastern Ontario, but he—

Mr. Bradley: The token Liberal.

Hon. Mr. Bernier: He contributes. There is no question he has an interest and a desire to make sure this commission continues to contribute as much as it has in the past.

An hon member: A true northerner.

Hon. Mr. Bernier: Yes, he is a true northerner, there is no question about it. We also have Mr. I. W. Hollingsworth who is a highly respected businessman from Sault Ste. Marie. Anyone who has been in the retail trade and has had the opportunity of using a maple butcher block will recognize the manufacturing position or place of that butcher block. It was likely built in—

10:10 p.m.

Mr. Ruston: Is that in this report? It is not in this report, Mr. Speaker. Bring him to order.

Hon. Mr. Bernier: I am speaking to the Ontario Northland Railway. I have a copy of the annual report in my hand.

Mr. Ruston: That is not in this report, Mr. Speaker. Would you bring him to order.

Hon. Mr. Bernier: I have it right here and references were made in the report.

Mr. Speaker: The Ontario Northland is part of this report.

Hon. Mr. Bernier: I think it is fair to say to the honourable member that the facts must be put on the record in order to reach a valid decision on the results of the committee's findings. Ian Hollingsworth, who has now served his time on the commission, has recently retired. Certainly I want to take the opportunity of thanking both him and Mr. Carr for the invaluable contributions they made in the six or eight years they were part of the Ontario Northland Transportation Commission.

A new addition to the commission is Mr. Norm Karam from Cochrane. Mr. Karam is a well-respected lawyer from that part of northeastern Ontario and has also contributed extensively to the operation of the ONR. I am proud to say that up until April 18, 1980, a member of this Legislature, the member for Cochrane North (Mr. Piché), was a commissioner of the ONR. I am sure in the course of the next several years we will hear the member for Cochrane North expound at great length on the ONR, the contribution the commission has made and his contribution, because he is recognized in northeastern Ontario as someone who has a real desire to see improvements in the transportation facilities.

In fact, the member for Cochrane North, prior to becoming a member of this Legislature, was chairman, I believe, of the Action Group of northeastern Ontario. The group was made up of all the mayors and reeves of northeastern Ontario. So he played a dual role, not only as a member of the commission but as leader of an independent group known as the Action Group, which prepared statistics and submitted briefs to me and certainly to my colleague the Minister of Transportation and Communications (Mr. Snow), on ways and means of improving transportation in the northeastern part of Ontario. Some very intelligent reports came out of his committee. We are looking at some of those yet today, because I think they are very fitting as to how we can improve, which we are always trying to do on this side of the House.

We have a very able general manager, Mr. Bob Beatty, who is a member of the ONR. He has spent a lifetime; I believe it is fair to say that Bob Beatty came up from the ranks. He climbed the ladder. At one time he used to deliver messages for the telegraph system and he worked his way up right through the entire system. He knows it inside and out. He is an authority, and I am sad to report to the House that he will be retiring within a year. He has made an invaluable contribution to the opera-

tion of that public transportation body. When we find a replacement for the general manager, and we are looking for one now—as the members no doubt have noticed in the *Globe and Mail*, the headhunters are out—we are looking for somebody who, we hope, will be of equal stature and make a similar contribution to that of Bob Beatty—

Mr. Haggerty: How about Elmer Sopha, a dedicated lawyer?

Hon. Mr. Bernier: I would have to give that some thought. Does he know anything about railways? I do not think he does.

Interjections.

Hon. Mr. Bernier: He is railroading all kinds of people. He tried several times to come back into the Legislature but he was quite unsuccessful.

Mr. Haggerty: Don't be so biased. You asked me for a name. I suggested one.

Hon. Mr. Bernier: I know Mr. Sopha is an expert on wolves. We have heard Elmer expound at great length on wolves in this Legislature. In fact, I would have to admit to the member that as a member of this Legislature for some years now, I kind of miss Elmer coming around.

Interjections.

Hon. Mr. Bernier: We have excellent people on the commission; that is the point I am trying to make. We have people from northern Ontario who are dedicated to seeing that we have the best possible operation in northeastern Ontario. Of course, the calibre of people we have running the Ontario Northland Transportation Commission is second to none, and it is with a great deal of pride that I report that to the House.

I would like to get back to the general operation and history of the ONTC and move on. In 1971 we saw the inauguration of a full-fledged airline in northern Ontario by the ONTC, and it was my privilege to recognize that event just a few weeks ago in the Ontario Legislature: 10 years of history, 10 years of invaluable contribution that we have witnessed in northern Ontario.

Mr. Ruston: The minister is reaching.

Hon. Mr. Bernier: Those from southern Ontario can laugh at that little airline, which has nine Twin Otters—

Mr. Haggerty: Nobody is laughing. We need the same service down in southern Ontario.

Hon. Mr. Bernier: I believe we do, and maybe some day we will extend norOntair to southern

Ontario, because it makes a contribution. In fact, I would have to say that because of the norOntair operations, northern Ontario is much closer today to itself and, indeed, to the other parts of Ontario and Canada. Now you can move from the small communities. Twenty-one communities have daily, scheduled, reliable service on aircraft that are manufactured in Ontario, nine Twin Otters built right here in Toronto. We have had so much faith in the aircraft made by de Havilland Aircraft of Canada Limited that we have bought two more of their Dash-8s. They are still not off the assembly line; they are still on the drawing board.

Mr. Haggerty: I bet you will not land the jet on one of those strips up there.

Hon. Mr. Bernier: We may take the jet under our wing, too.

That is the type of faith and foresight this commission has. They have nine Twin Otters. We were looking to the future and we purchased two Dash-8s. They are 36-passenger aircraft; they are pressurized; we will have attendants on those aircraft. In fact, Mr. Speaker, should you visit northern Ontario and travel on one of our Dash-8 aircraft we may have the opportunity of providing you with some of the extra comforts you would find on Nordair or Air Canada or even Canadian Pacific Railways: lunches, refreshments and all the things that will bring us to the level of service we find on a national carrier.

I want to talk about the rate of subsidy. The member for Algoma (Mr. Wildman) will agree with me; I know he uses that aircraft on a regular basis. I believe that some members across the House were looking for a pass on the norOntair operation, and I had to point out to them—

Mr. Haggerty: The minister is filibustering.

Mr. Ruston: I am not going to listen to the minister's filibuster any longer.

Hon. Mr. Bernier: But when we started the norOntair operation we were subsidizing our passengers about \$75 a passenger, and this year we are down to about \$5.61 per passenger. I think that for a government-run operation, one cannot find anything better. I call it the transportation success story of the last decade—

Mr. Wildman: He is not kidding. He might even be converted.

Hon. Mr. Bernier: That is right; and maybe some day I will run the norOntair operation.

Mr. Speaker, I have a considerable amount to

put on the record, particularly for the benefit of the new members and the members on the opposite side of the House who may be totally unfamiliar with the Ontario Northland Railway operation. I want to direct my comments now to the recommendations of the procedural affairs committee.

I believe they directed three recommendations to the ONR, and I would like to read them and put our response on the record. The first recommendation was "That the commission in its financial statements clearly delineate those operations which are noncommercial and therefore subject to subsidization and those that are commercial and not subject to subsidization. In addition, the commission set out the rationale for this division."

10:20 p.m.

Our response would be that the officers of the Ontario Northland Railway or the Ontario Northland Transportation Commission, in consultation with the Office of the Provincial Auditor, established a revised format for displaying commercial and noncommercial operations in financial statements. This format, approved by the Provincial Auditor's office in January 1981, was used in the 1980 annual report of the commission, as shown in schedules three and four, pages 20 and 21.

With regard to the second part of the recommendation, the rationale is determined by the provincial government and the division of commercial and noncommercial services is established in a formal memorandum of understanding between the Minister of Northern Affairs and the commission.

The second recommendation was that the commission establish a clear policy regarding unfunded liabilities of the commission's contributory pension fund. I want to report that the commission and its subsidiaries have been making payments of interest and principle since December 1978 towards the unfunded portion

of the contributory pension fund in accordance with the regulations under the Pension Benefits Act.

The policy of the commission has always provided for the distribution of liabilities for the unfunded portion of the fund on the basis of percentage of payroll distribution, discounting smaller and newer services such as the Chi-Cheemaun ferry and norOntair to reflect their smaller responsibilities for the historical unfunded liabilities.

The third recommendation was that the sale of Star Transfer should not be proceeded with until all alternative courses of action have been considered and evaluated, including the study that is being undertaken now by the Ministry of Northern Affairs. I want to report to the chairman of the standing procedural affairs committee that this recommendation is being given full consideration within my ministry and the commission itself.

I have to report further that we are not excited about the performance of the Star operation. I think it is fair to say that we have had some financial downturns, as is reported in the annual report of 1980. The net loss incurred by Star Transfer before extraordinary items amounted to \$939,000, compared with \$705,000 in 1979.

We are very much aware of the recommendations of the standing procedural affairs committee. I want to take this opportunity to thank the chairman for his efforts and for the recommendations of the committee. I think they are very positive and straightforward, and some that we are addressing certainly will be of benefit to us as we move forward in trying to improve the operations of the Ontario Northland Transportation Commission and to make it responsible to the Ministry of Northern Affairs and ultimately to the Legislature of Ontario.

On motion by Hon. Mr. Bernier, the debate was adjourned.

The House adjourned at 10:24 p.m.

CONTENTS**Thursday, November 5, 1981**

Report, standing committee on procedural affairs, Mr. Breaugh, adjourned.	3231
Adjournment.	3251

SPEAKERS IN THIS ISSUE

Bernier, Hon. L.; Minister of Northern Affairs (Kenora PC)
Bradley, J. J. (St. Catharines L)
Brandt, A. S. (Sarnia PC)
Bryden, M. H. (Beaches-Woodbine NDP)
Charlton, B. A. (Hamilton Mountain NDP)
Cousens, D.; Acting Speaker (York Centre PC)
Fish, S. A. (St. George PC)
Gordon, J. K. (Sudbury PC)
Haggerty, R. (Erie L)
Mackenzie, R. W. (Hamilton East NDP)
McCague, Hon. G. R.; Chairman, Management Board of Cabinet (Dufferin-Simcoe PC)
Robinson, A. M. (Scarborough-Ellesmere PC)
Ruston, R. F. (Essex North L)
Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
Turner, Hon. J. M.; Speaker (Peterborough PC)
Wildman, B. (Algoma NDP)



Ontario

LEGISLATIVE ASSEMBLY

No. 91

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Friday, November 6, 1981

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

An alphabetical list of members of the Legislature of Ontario, together with lists of members of the executive council, the parliamentary assistants and members of the standing committees, also appears at the back as an appendix.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Friday, November 6, 1981

The House met at 10 a.m.

Prayers.

STATEMENTS BY THE MINISTRY

Hon. Mr. Welch: Mr. Speaker, as I indicated yesterday, the Premier (Mr. Davis) plans to make a statement in connection with the events of the last few days, but unfortunately he will not be in the House until about 10:30 a.m. I thought I would indicate that now, in anticipation of that statement. I hope once the Premier does arrive we will have the unanimous consent of the House to revert to statements at that time.

RAILWAY SERVICE

Hon. Mr. Snow: Mr. Speaker, I would like to take this opportunity to clear the air, perhaps, or clear the fog of misinformation and rumour that has cropped up recently to blur this government's position on the matter of the Via Rail passenger service cuts announced by federal Minister of Transport Jean-Luc Pepin last August.

I would like to review my position and my concerns resulting from Ottawa's decision to discontinue its Via Rail service between Toronto, Peterborough and Havelock. I know that is a line you are greatly concerned about, Mr. Speaker.

From the beginning, and before Mr. Pepin's formal announcement, I attempted to meet with the federal minister in an effort to express our point of view concerning any proposals to reduce rail services. I stated this publicly on July 15. Unfortunately, such a meeting could not be arranged. Even before that, on June 19, when I addressed this House regarding the task force on provincial rail policy, chaired by the member for St. David (Mrs. Scrivener), I clearly outlined the direction this government was pursuing with regard to all rail transport in Ontario. At that time, I endorsed the task force's recommendation that Ontario should have a strong interest in intercity rail passenger services as they relate to not merely the railways themselves but Ontario's economy and the travelling public.

Again on August 6, following my meeting with Mr. Pepin, after he had unilaterally announced that, among other passenger services, the Toronto-Peterborough-Havelock run would

end in September 1982, I was told categorically that the federal government was not prepared to offer any capital or operating financial assistance in any future operation of the line by Ontario. Since that time I have heard reports emanating from Ottawa that Mr. Pepin and his people have been reconsidering their initial position—that some vague form of financial deal would be available should Ontario take over the service to Peterborough and Havelock.

I ask, "What kind of financial deal?" Would it be in the form of capital or operating costs for rolling stock purchases or to offset the certainty of operating deficits? The answer to all of these questions is—absolutely not. The fact is nothing has changed. Transport Canada just might consider a costing element or a new costing order. Stated simply, that means nothing more than Ontario might—and I use that word again—might get a reduced rate on track rental and maintenance should it choose to get into intercity rail passenger service.

Mr. Pepin, for whatever reasons, made the decision to abandon an intercity passenger service between Toronto and Peterborough and Havelock. And he did it, as I said earlier, unilaterally, without any prior consultation with either this province or the affected municipalities. He also did it in the teeth of our declared policy that this province have a voice in any decision affecting its residents and their rail services. He has stuck to his guns despite the fact that we in government, and the people of Ontario most directly concerned, have certainly voiced objections. Our position is clear—as clear as it was at the outset of this entire matter. Ontario has always had a real interest and concern for intercity rail passenger service and has never supported the Via cuts affecting Peterborough or any other municipality.

ORAL QUESTIONS

ALLEGATIONS OF POLICE BRUTALITY

Mr. Smith: Mr. Speaker, I will, of course, want to add a few words following the Premier's statement. I trust there will be an opportunity at that time. I shall direct my questions, which happen to be for senior ministers who are apparently unavoidably detained, to the Deputy

Premier (Mr. Welch) in their absence.

May I ask the Deputy Premier whether he has given some thought to the matter of a public inquiry concerning the most recent allegation of systematic brutality on the part of a particular squad of the Metropolitan police, a squad known as "the hold-up squad."

His government in the past started the Morand inquiry based on allegations of a much less systematic nature. There were 13 allegations of excessive use of force, including two that involved the so-called claw and so on, whereas in this instance the allegations are far more serious. They are extremely disturbing because they have to do with an entire squad of the Metropolitan Toronto police. So would the Deputy Premier not agree that a public inquiry that has the backing of the entire Criminal Lawyers Association would be the best way to proceed now rather than allowing the internal investigation under way at present to be the only investigation in the matter?

Hon. Mr. Welch: As the honourable Leader of the Opposition will recall, the member for Kitchener (Mr. Breithaupt) raised this matter in the House yesterday. It is my understanding the Solicitor General, as the Leader of the Opposition has also pointed out, is en route and is expected in the House, I think before the end of the question period. He will no doubt want to make some response if the opportunity is available to him at that time.

10:10 a.m.

Mr. Stokes: The House starts at 10 o'clock on Fridays.

Hon. Mr. Welch: I think under the circumstances and in view of the historic significance of the last few days, they might—

Mr. MacDonald: That finished yesterday.

Hon. Mr. Welch: They might be entitled to some post-accord socializing with respect to that. They are en route and are due shortly. I would have to leave that matter for the Solicitor General to comment on.

Mr. Smith: There is no need to take up the time of the House for long since the Deputy Premier is clearly only going to pass the information on, which I appreciate. But will the Deputy Minister consider the comments made today by Mr. Givens who seems to think, to use his word, it would be "unthinkable" to hold a public inquiry? Will the Deputy Premier have some words with his friend, Mr. Givens—and my friend as well, of course—and say to Mr. Givens—

Mr. McClellan: You almost forgot.

Mr. Smith: I almost forgot. Why would it be I almost forgot? In psychiatry we explain these lapses of memory as having unconscious meaning, but I will leave it to the member to guess what the meaning is.

Would the Deputy Minister have some words with Mr. Givens? Would he ask the Solicitor General to do so as well? Would they recognize there is nothing at all unthinkable about having a public inquiry? Public inquiries into alleged police brutality have been called on much less evidence than we now have and on the request of far less prestigious groups than the entire Criminal Lawyers Association. Given there is a whole squad involved, will he undertake to have the Solicitor General talk to Mr. Givens and report back to the House why it is so unthinkable to do what I should think is the logical thing, to have a public inquiry?

Hon. Mr. Welch: I feel quite sure the Solicitor General would include that in his response.

AID TO AUTOMOBILE INDUSTRY

Mr. Smith: Mr. Speaker, I have a question for the Deputy Premier to give him a little more exercise in the absence of the Treasurer (Mr. F. S. Miller). Having had an evening to reflect upon the post-closure giveaway hastily contrived by the Treasurer with his rebate on automobiles purchased during the month of November, will the Deputy Premier now agree that rebate cannot possibly have any effect whatever on the manufacturing side of the industry inasmuch as the cars to be sold have already been manufactured?

Even in the unlikely event the advertising for the rebate will draw people in and persuade them to buy 1982 cars which they otherwise would not think of buying, it would impact on less than a quarter of one per cent of the output of the assembly lines in North America and therefore can have no effect at all on those assembly lines.

That rebate is only going to help dealers who are having difficulty financing their inventory at high interest costs, and there are thousands of small businesses having difficulty financing inventory because of high interest rates. So will the Deputy Premier and his government assure us there will be some other kind of measure to help the remaining small businesses in Ontario rather than just continuing this peculiar concentration on the auto dealers as though they were somehow sacrosanct and special?

Hon. Mr. Welch: Mr. Speaker, it is not likely I can add anything to the exchange in the House

yesterday between the Leader of the Opposition and the Treasurer on this subject. However, may I be given the opportunity to identify myself enthusiastically with the Treasurer's initiative in this regard?

I happen to come from an area quite dependent on the automotive industry. I see this as a positive step on the part of the Treasurer directed to and attaching high importance to the automotive industry and, indeed, dealing at the marketplace which is a crucial place in which to show some initiative. I think this is a positive step. No doubt it is being hailed throughout the province as a further indication of the desire of this government to be supportive in this area.

Mr. Smith: By way of supplementary: Understanding fully the reason for the hasty caucus meeting at which this was agreed to as something that will take publicity away from the closure which occurred in this House, would the Deputy Premier—

Hon. Mr. Ashe: Oh baloney.

Hon. Miss Stephenson: You're the president of the generation of sour grapes.

Mr. Smith: That is exactly what it was.

Would the Deputy Premier do us all the favour of not referring to this as something to help the auto industry since it can do absolutely zero to help that industry? The cars were already built and at maximum one quarter of one per cent of the output of assembly lines could conceivably be affected for even one month. Therefore the effect will be zero. Would the Deputy Premier please stop talking about the auto industry and admit the only ones he is helping are certain dealers?

There are many other small businesses in an equally difficult position. Why will he not help them finance their inventory which they are having difficulty with because of present interest rates?

Hon. Mr. Welch: It seems outrageous to suggest that an announcement of this importance was in any way orchestrated in relationship to something that happened a couple of days before. We stand to be accountable for what happened on Tuesday in the interest of thousands of people throughout Ontario. We do not need any diversion with respect to that; it is there for all to read and to assess and I think the member opposite will agree with that.

There are ample opportunities to pursue the matters that were piggybacked on the other

issue. We did not feel under those circumstances that innocent people should be held hostage with respect to that matter.

Mr. Smith: Why was it blocked in committee the next day?

Hon. Mr. Welch: It was not blocked. It is my understanding the matter of timetables was referred to the House leaders. Is that not what happened? It was simply referred to the House leaders in order to look over the time—

Mr. Smith: Sure, it was referred to the dead of winter.

Mr. Eakins: You'd make a fine evangelist Bob. I almost believed you.

Mr. Speaker: Order. Will the Deputy Premier just answer the supplementary that was asked and ignore the interjections?

Hon. Mr. Welch: You will understand, Mr. Speaker, that this was included in the question to which I am making my response. I wanted to pay tribute to the member for Sarnia (Mr. Brandt) who I thought was very wise at that morning committee in being the author of the motion that put it that way.

As far as the automotive industry is concerned, it is multifaceted and ultimately what happens in the marketplace has to be very important. The moving of that inventory and all the implications therefrom is absolutely essential and the Leader of the Opposition should understand that. We are very enthusiastic on this side with respect to the Treasurer's announcement of yesterday.

Mr. Mackenzie: Mr. Speaker, if I remember correctly, when the minister instituted the last rebate program approximately a year ago, one of the arguments we got was that it was a temporary measure. The problems in the auto industry were those that had to be rationalized or corrected. I would ask the minister why we have this ad hockery a second time around?

What has this government done about foreign imports? Has it taken a look at the imbalance in the auto pact in this country and this province? That is what is causing a lot of our problems as well. What has the minister done in a concrete way to take a look at the injuries and illness in the automotive industry in this province rather than coming up with a stopgap measure every year that may be of some help for a very brief period of time?

Hon. Mr. Welch: I am not denying there are other measures and other problems that will have to be addressed and solutions found. In the

meantime I am sure the member would not be opposed to this stimulus that is being introduced to the marketplace at this time.

As to the other matters included in the member's supplementary question, in many cases they lie with another jurisdiction as we sort out the arrangements with respect to imports. Under the circumstances we should see in the Treasurer's announcement a very positive initiative to address an immediate situation in the moving of this inventory.

10:20 a.m.

Mr. Kerrio: Final supplementary, Mr. Speaker: I wonder if the minister is aware that on television in recent days American Motors Company in the United States has been advertising substantial rebates somewhere in the neighbourhood of \$700 to \$1,000? I wonder if his government would have been better advised to consider putting some pressure on many industries so there could be rebates not only on automobiles and trucks but maybe on farm tractors and machinery for small business people? I wonder when he is going to address himself to the problems right across the board so he can help all our people in Ontario to get it moving again.

Hon. Mr. Welch: Mr. Speaker, as I recall the exchange yesterday in the House the Treasurer was quick to remind the member's leader that there was no sales tax on farm machinery, and—

Mr. Kerrio: I said rebate.

Hon. Mr. Welch: But we are talking about the initiative of yesterday.

Mr. Smith: You can give a rebate, anyway. You can write a cheque, anyway.

Mr. Speaker: Order.

Hon. Mr. Welch: Certainly I know of no government regulation that stands in the way of any merchandiser doing whatever he or she thinks necessary to stimulate activity in the marketplace in rebates. In fact, I think many manufacturers are doing that now.

RENTAL CONSTRUCTION LOAN PROGRAM

Mr. R. F. Johnston: Mr. Speaker, my question is for the Minister of Municipal Affairs and Housing. On November 3, in response to my question about the crisis in assisted housing in Toronto, he listed the rental construction loan program starts in Toronto. I quote: "In Toronto we have 929, in Brampton we have 1,853, in Mississauga we have 2,467 units, in North York

we have 902 and in Scarborough we have 1,861. Twenty per cent of those units will be made available to the housing authorities at the completion date."

Since I presume the minister was reading from the latest November 2 Ontario Mortgage Corporation printout on that program I presume he knows that 738 of those 929 supposed approvals in Toronto were actually cancelled as long ago as September 8. I would like to know why the minister saw fit to give us inadequate information, if he did not mislead us, as to the lack of action on his part. Was he just trying to disguise the fact that he had done little or nothing to help the 30,000 people who are on the waiting list for housing in Toronto and Metro Toronto today?

Hon. Mr. Bennett: No, Mr. Speaker.

Mr. R. F. Johnston: Supplementary, Mr. Speaker: Does the minister then deny that 738 of those 929 units in Toronto have been cancelled? Does the minister not agree that only 660 units are under construction in all of Metro Toronto, so that if you take the assisted housing portion of those, there are only 132 potential new places under construction for assisted housing in Metro Toronto today?

Will the minister not also agree that he said all these construction projects had 150 days after their date of approval, that if construction had not started 150 days after approval they would no longer be valid, and that 47 per cent of those approved in Metro have already passed that deadline? What is he going to do about it?

Hon. Mr. Bennett: Mr. Speaker, what we had said about the deadline was very clearly this: In 150 days the government has the option of cancelling out on the program if the individuals did not move forward. That was put there very obviously so that if somebody hesitated to go on with construction and others wished to supply applications for units the government had the option of picking another developer through the Ontario Mortgage Corporation.

Frankly, most of the cases the member spoke of have come to us and have very clearly indicated that because of the current interest rates there was no economic way they could make their projects fly. Until there is some adjustment in interest rates, regardless of the fact that this government has put up \$6,000 of interest-free money, as I explained the other day in the estimates committee, they cannot proceed.

I think it would be rather foolish of the

government to try to force the industry to construct units that ultimately are going to wind up in some kind of financial difficulty, if not in bankruptcy. We would like the industry to be active, to provide the 52,500 man-days of opportunity for employment in this province, to provide units for rent supplement purposes in the various communities of Ontario, but I think we are wise to realize that if it cannot fly economically it would be rather foolish for the industry to try to move forward.

At the same time, we have continued to encourage municipal nonprofits, private nonprofits and co-ops to build housing units in the various communities in this province. I said very clearly the other day that I will be tabling in this House a complete breakdown of all the areas where housing development has taken place up until the end of October of the current year not only for Metropolitan Toronto but for all of the province.

Mr. G. I. Miller: Supplementary, Mr. Speaker: I wonder if the minister would use the program in a way similar to that in Townsend? The government has money to buy an oil company, but why can it not assist the housing industry the same way as is being tried in Townsend—by reducing the interest rate and encouraging the building industry to get off the ground again?

Hon. Mr. Bennett: Mr. Speaker, I indicated very clearly the other day—in response to exactly the same question from the same member back on Tuesday of this week—that we had tried to stimulate the activity in his riding, in the new community of Townsend, an area that is being developed by public tax—

Mr. Smith: Help in existing cities, not in your stupid—

Hon. Mr. Bennett: Talk about stupid. I guess the member has full qualifications to talk about that in his profession. Very clearly, Mr. Speaker, I have said we offered the stimulus in Townsend until the end of June on a current interest rate—

Mr. Smith: There are 23 families there. Fifty million dollars is a joke.

Hon. Mr. Bennett: You are number one in this province in that category.

Mr. Smith: Fifty million dollars and you have 30 families there and you have to subsidize them to keep them there.

Mr. Speaker: Order. The minister will respond to the question from the member from Haldimand-Norfolk (Mr. G. I. Miller) please.

Hon. Mr. Bennett: I very clearly said at the time that we had offered this opportunity to the development industry in Townsend on exactly the same mortgage terms as we are offering in renewals of the Ontario Mortgage Corporation. We were not expanding it to the rest of Ontario, for obvious reasons that the opposition understands, because, number one, we do not have the financial capacity, and number two, if interest rates are to be written down on a general basis, it should be done by the federal government and not by this government.

Mr. Mackenzie: Final supplementary, Mr. Speaker, to the Minister of Municipal Affairs and Housing: I am wondering if he really understands the seriousness of the situation we are entering. Within 25 minutes, on Wednesday of this week, in my constituency office, I had two people in: a single parent mother with two children, who has, through our help, now been placed in the Native Women's Centre for one week at \$40 a night because she has absolutely no place to go and a total income of \$539. None of the housing authorities can help her. Then I dealt with a second woman, who has five children, including twins, and an income of \$681 a month, and who has also been absolutely impossible to place, and is living in one room at the Holiday Inn Motel in Stoney Creek. We have been to everybody in the city of Hamilton.

The situation is serious. Asking private developers to put up housing because the minister will make some money available, whatever the interest rates, is not the answer. The minister is going to have to act. Does he realize how serious this is?

Hon. Mr. Bennett: Yes, we do, Mr. Speaker, and that is why we are in the Ontario rental construction loan program. We have had some participation in the Hamilton area. But I have to tell the member it has not been as active as we were hoping for, and he knows exactly why. In Hamilton we have had an abundance of units on the market, and one developer after another in that community has gone into receivership trying to develop rental units and ownership units. I have personal knowledge of those developers in his community, coming in and asking the Ontario Mortgage Corporation to try to provide money to them at a more preferential rate to allow them to stay in business.

It is great for the member to get up and hoot and holler, but the fact remains that if industry cannot make a dollar in this business they are not going to be in it. Through the nonprofit and all the other programs, we have tried to encour-

age the communities to participate with government, federal and provincial. The honourable member's housing authority in that community has tried to serve its community in the best possible way. In this specific case, if he wants to send me the information, I would be glad to have our people review it, and see what the situation happens to be.

Mr. R. F. Johnston: On a point of order, Mr. Speaker, it does not seem appropriate to me as a member of this House that a minister should be able to give us totally inaccurate information, as I have shown. He has not denied it is totally inaccurate information, and has refused to withdraw or correct the records. It is an inappropriate action for the minister.

Interjections.

Mr. Speaker: Order. I do not know whether the allegation is true or not. I cannot judge on the propriety of information.

Interjections.

Mr. Speaker: Order. New question.

Mr. R. F. Johnston: Mr. Speaker, why will the minister not answer the question?

Hon. Mr. Bennett: I would be delighted. I do not have the November 2 list in front of me but I am prepared to provide it. And if there are some corrections to be made I will do them.

Mr. R. F. Johnston: Mr. Speaker, that 929 figure is only to be found on that list, as far as I am aware, and that is where it was taken from.

10:30 a.m.

SKILLS TRAINING

Mr. R. F. Johnston: Mr. Speaker, I have a question for the Minister of Labour. I apologize for my voice today. I hope the minister will be able to hear me over there.

Figures just released by Statistics Canada show that 124,000 young people in Ontario are unemployed, or 11.3 per cent of the population. Last night the Board of Education for the City of Toronto passed a report saying it would be willing to levy a tax on the industrial and commercial assessment to get seriously involved in apprenticeship programs.

Because of the minister's own failures in that area of equipping young people for the work place in Ontario, is he willing to act to give support to the Toronto board to take that kind of initiative or to bring in programs of his own to put that kind of levy on employers?

Hon. Mr. Elgie: Mr. Speaker, let us understand that the government has not been lax in its

efforts to try to address the issue of apprenticeship training. The member knows full well a manpower commission was established and the government is in the process of considering some of its recommendations.

He also knows that through the employer-sponsored training program a number of apprenticeship positions are being obtained. He also knows that through a joint initiative of the federal Minister of Employment and Immigration, Mr. Axworthy, and myself last June, a conference was held with employers indicating our willingness and ability to assist them in whatever way we can to facilitate corporate planning with regard to apprenticeship programs.

The member will also recall, from his reading of the strategy outlined in the Board of Industrial Leadership and Development document, that the government indicated it would be holding meetings with the leading and largest companies in Ontario with regard to the need to improve our industrial training base.

We are in the process of reviewing those meetings and the results of them. The member knows full well that we are, as well, involved in discussions with the federal government arising out of the report Labour Market Development in the 1980s by Mr. David Dodge relating to apprenticeship training. There are a number of initiatives and discussions going on. We are anything but lax because we know it is a problem.

Mr. R. F. Johnston: There is a lot of talk going on, I gather, but very little action. When only 174 of 33,794 nonservice apprenticeship positions are going to women in this province today, he must be seen to be failing. Will the minister act quickly to follow up on recommendation number nine of the Ontario Task Force on Microelectronics brought forward yesterday which says that action must be taken quickly given the long lead-time associated with training and education in this industry? Will he move quickly to bring in some programs which will protect young people moving into the work place?

Hon. Mr. Elgie: Let me assure the member that the conclusions reached by that task force were the result of input from my own ministry, from the Ontario Manpower Commission, which led the microelectronics task force to reach those conclusions. It is not news to me that recommendation was going to be in there. It arose from studies we did on behalf of that task force.

What I am telling the member is that there are a variety of discussions and initiatives under way. I know the member wishes they had happened yesterday, and I understand that, because we all have that worry about the fact the industrial training base is not adequate, but we are endeavouring to address those issues. We feel, as we have said many times, they have to be addressed on a national basis, and we are prepared to co-operate in addressing them in those ways.

Mr. R. F. Johnston: Specifically, will the minister take action to support and encourage the Board of Education for the City of Toronto in the initiatives it is showing and not just with the talk he is presenting to us today?

Hon. Mr. Elgie: We are always prepared to review initiatives that are proposed by others. I am sure the member will understand I want to take the opportunity to evaluate the recommendation before commenting on it in that way.

AGRICULTURAL VEHICLE SAFETY

Mr. Ruston: Mr. Speaker, I have a question for the Solicitor General. Is the minister aware of any special Ontario Provincial Police crack-down on the safety of farm vehicles using the highways in southwestern Ontario? Can the minister tell me why an OPP officer, a corporal, would tell farmers he is going to smarten them up in using vehicles on the highways? He is trying to enforce laws under the Highway Traffic Act that we find are not adaptable to farm vehicles during daylight hours.

Hon. Mr. McMurtry: Mr. Speaker, I do not know whether the honourable member passed me this note, which apparently is an extract from an agricultural farm newsletter and which says as follows, and I think perhaps this would place it in the proper context:

"There is currently considerable controversy over the lighting required for farm vehicles. The Ontario Provincial Police apparently feel that wagons should be lighted similar to a truck, with signal and brake lights for both night and day use. The Ministry of Transportation and Communications has never required this extensive and expensive system. The Farm Safety Association of Ontario and several local farm groups are reviewing this matter. I do not expect it will be readily or quickly resolved. In the meantime, please use all care and caution possible and be sure you at least have a slow moving vehicle sign and some sort of lighting at night, both front and rear. We will keep you informed."

I think that is pretty good advice and, if the member passed this over, I am grateful for the information. I do not know what discussion took place, and I do not know what the Ministry of Transportation and Communications might be considering in this respect. Of course, the minister is here, and the member can direct that question to him.

Obviously there is a significant safety issue involved. The farming community apparently wants to address it without legislation, and I will be quite happy to discuss it with the OPP. But I think we all agree that there is an issue here that has to be addressed and that it is just a question of how best to deal with it.

Mr. Ruston: I am glad I supplied the minister with his answer to the question. I thought I would try to be helpful.

Hon. Mr. McMurtry: I thought I indicated my appreciation.

Mr. Ruston: Yes. I just want to point out to the minister that what concerned me was the OPP corporal's attitude in following vehicles, maybe laying charges in some cases or advising them that he was going to do this. He also told them they would have four points charged against their driver's licence. It so happens that one is not required to hold a driver's licence to drive farm machinery on the highway. Can the minister tell me on what basis the corporal warned them, when the Highway Traffic Act does not cover it?

Hon. Mr. McMurtry: Obviously if the officer said there were going to be formal charges when there is no legislative basis for such a sanction, for a charge or loss of points, he was clearly wrong.

ALLEGATIONS OF POLICE BRUTALITY

Hon. Mr. McMurtry: Mr. Speaker, I wonder if I might take this opportunity to answer a previous question.

Before I entered the Legislature, I understand, the Leader of the Opposition asked a question with respect to certain allegations against the Metropolitan Toronto Police Force, and a similar question was asked yesterday. With your permission, sir, perhaps I might be permitted to respond to that question at this time.

Mr. Speaker: The Solicitor General has the answer to a previously asked question.

Hon. Mr. McMurtry: Thank you, Mr. Speaker. I have just read the letter from Ron Thomas of the Criminal Lawyers Association of Ontario,

asking for a royal commission or judicial inquiry. In the concluding paragraph of his letter, he says: "I urge you to immediately appoint a commissioner under the Public Inquiries Act to thoroughly investigate the allegations, with all the usual powers and safeguards for those involved and with broad enough powers to make recommendations."

Last week, when Bill 68 was being debated in the Legislature, I indicated in response to some discussion of this matter that we did not have any particulars of these allegations as of that time. I do not know whether any additional information has been forthcoming since that time. When I talk about particulars, I am talking about names, dates, places and specifics in relation to the individual allegations.

Quite apart from any other consideration, it would be very premature for me to respond one way or the other to such a request without having that information. But more important is the fact that, first, the Metropolitan Toronto Police Force undertook two weeks ago to conduct a full investigation into these allegations by three senior police officers. Initially, this seemed to receive a favourable response from the group known as CIRPA, the Citizens' Independent Review of Police Activities, although I recognize their enthusiasm for the project dwindled very appreciably in the ensuing days.

10:40 a.m.

But, quite apart from that, we have Bill 68 before the House. I think we require probably about five or 10 more minutes to conclude that debate. Only one more section is to be debated, which is not a major section, in our view; so legislation will be in place.

The point I am making, quite apart from the ongoing police investigation, is that as soon as this legislation is passed, Mr. Linden, the new civilian complaints commissioner, who is at present monitoring the investigation, will have the powers that a royal commissioner would have to conduct an inquiry and call witnesses if he thinks that is appropriate.

All I am suggesting is that the process should be given an opportunity to work. Let us have the results of the investigation from the Metro police; let Mr. Linden review them, and let us give him a chance to determine whether a public hearing is appropriate—and it may well be.

I appreciate the seriousness of the allegations; I am in no way underestimating the importance of these allegations. On the other

hand, I do not want anyone else to underestimate the importance of the powers that Mr. Linden will have once this legislation is passed.

Mr. Smith: I appreciate the Solicitor General's concern in this matter, and I certainly have confidence, as he does, in Mr. Linden.

Will the Solicitor General assure the House that, once the police officers have looked into the matter for, let us say, 30 days, and once Mr. Linden has had a chance to look over the material, if it is Mr. Linden's view that a public inquiry would serve a useful purpose, will the Solicitor General assure us that there will be such a public inquiry, given the fact that the allegations seem much more serious than those that led to the Morand public inquiry, set up by this government, and that an entire squad is being referred to on this occasion rather than just isolated instances here and there on the police force?

Will Mr. Linden be allowed to look at this matter and make a decision in some 30 days? Will his suggestion for a public inquiry be acceptable if he decides it would serve a useful purpose?

Hon. Mr. McMurtry: The legislation clearly sets out Mr. Linden's powers, which include the right to hold his own independent investigation quite apart from any police investigation; he does not need my consent to hold an inquiry himself. If Mr. Linden for some reason down the road were to say, "I do not want to hold a public hearing under the legislation; I think we have to appoint a royal commission," I would be surprised. But if he made that recommendation, I would have to take it very seriously. I do not think I can say anything more than that.

Mr. Speaker: The member for Downsview with a new question.

Mr. Di Santo: Thank you, Mr. Speaker. I have a question for—

[Applause.]

Hon. Mr. Wells: Mr. Speaker, if we can have unanimous consent to revert to statements—and I understand that my friends are agreeable—the Premier will now make a statement.

Agreed to.

STATEMENT BY THE MINISTRY

CONSTITUTIONAL AGREEMENT

Hon. Mr. Davis: Mr. Speaker, it is my intention to table a rather historic document in the life of this country. I only have one copy, and I hope somebody will bring me another one.

I do not intend to table this one, because it happens to have the signatures of other first ministers. I do not often keep documents or memorabilia, which is probably a mistake on my part, but this is one I intend to keep.

I want to report to the House on the events of the past nearly four days. I must say it is really kind of pleasant to be back here in the peace and tranquillity of this House compared to what has been going on elsewhere. I report to the House with feelings of optimism and confidence and a greater appreciation of what this country is about and what is required to make it work.

I went to Ottawa on Sunday evening and appeared at the conference at 10 o'clock on Monday morning without being totally sure that some measure of compromise or consensus was achievable. It is fair to state that all of us as first ministers were faced with some rather entrenched positions, points of view that were very firmly and, I say with respect, sincerely held, not just by the group of eight as a group, not just by the Prime Minister of this country, the Premier of New Brunswick or the Premier of this province.

These were points of view we had come to believe in and support, some of us over a period of many years and in my case for 10 years, two and a half months, two days and several hours. For some other Premiers, they were points of view that had been developed and determined more recently. As I looked around the table on Monday morning and listened to the preliminary opening statements made to the public of this country, a lot of observers, I think, would have expressed that same reservation.

But then we met as a group. We met for long hours, not always together, not always in the same groups and not always with unanimity. Out of that process we have achieved something that is significant for this country. Subject to the House of Commons and the British Parliament, we have achieved patriation after many years of effort. We have achieved a charter which, even with its limitations, is probably as significant as one will find in any country in the free world. We have agreed on an amending formula that has eluded us for many years as well.

It was done, by and large, in a spirit of genuine compromise. There was not too much rancour or bitterness. There were periods during those four days when the conference was on the verge of breaking down. There were individual situations that only my memoirs—if I ever write them, which is doubtful—will explain to the general public. There were personal relationships that were developed during the course of

that meeting, and a genuine desire on the part of all first ministers to come to grips finally and reach a measure of consensus that has escaped us for so many years.

10:50 a.m.

I know that some members opposite were concerned when the Premier of this province indicated at the opening meeting that Ontario was prepared to give away what the *Toronto Sun* described as its "veto." Of course, the *Sun* did not report what I wanted in exchange for that; and I am not being critical, because I did not say what I wanted in exchange.

I thought it was important that there should be some indication on the part of some first ministers at the conference—and the Premier of New Brunswick did this as well—that we were not intransigent, that there were areas of flexibility which would give some motivation to the group of first ministers. It was with this in mind that I indicated to the other first ministers and to the people of this province and of Canada that, from my perspective, an automatic veto for this province was there for negotiation.

What is hard to explain to people across Canada is the sense they have that while we are here with 8.5 million people and that through our representation in the House of Commons, by the sheer weight of numbers, we have a very significant position in this country—and that position is not going to be altered; it is not going to be diminished—at the same time some first ministers then understood that in the perception of the people whom they represent, whether they be the 120,000 in Prince Edward Island who came into Confederation on the basis that, while they do not have the numbers, they too were important to the makeup of this nation.

The people in western Canada, I guess, have traditionally felt over the years—and I do not say that it has always been with justification, but one deals with perceptions as well as with realities—that perhaps central Canada has had more than its share of economic growth and development, and some of the western Premiers were concerned about their provincial rights and about the fact that they as individual provinces did not have the same rights as pertain here in Ontario. It is difficult to understand this until you sit down and meet and discuss with these individuals.

I think one should understand something else in this process. When the private meeting on Thursday adjourned at 12:20, or whatever the hour, and I went back into the conference centre, one of the first questions I was asked—and

I am not critical of the media; it is their job, and I understand the difficulties—was: “Did you lose? Did you win?”

Mr. Kerrio: Give it to them.

Hon. Mr. Davis: No, I am not giving it to them at all. I did not enter that conference on the basis of winning or losing. I know that is the attitude some have. I have always approached first ministers’ conferences not to win for myself; I am a relatively modest individual, although some will not always agree with that. But my purpose at that meeting was clear, and I said it to the press: There were to be no winners or losers at that conference in terms of the politicians or the positions of their governments. The winner this week has been this nation and the people of this country, and that to me is what this exercise is all about.

During the next few days, few weeks and few months some people in the academic world, some of the social scientists or the political scientists and others, will be able to find theoretical flaws in the compromise we achieved. There is no question they will find some. From my standpoint, there is no question it represented less than perfection. All of us in this House try to achieve perfection; I guess some do and others do not.

I would not be honest if I did not say that if I had been writing it by myself, it would have been somewhat different. I do not quarrel for a moment that there will be those who will say that certain things that were important to them are not there or perhaps are there in a form that they like less than what they had suggested. I do not think there is any question, as it emerged, that it was a consensus, a recognition on the part of all of us that we had to give something, that we had to move one another, and that was accomplished.

I know some of my own very loyal supporters will question my observation, but I want to make it clear and repeat what I said publicly yesterday: While one can disagree with the Prime Minister of this nation on economic issues and many other matters, I have never questioned his sincerity, his motivation or his sense of purpose when it comes to constitutional change. I know he too, if he had been personally writing the document yesterday, would have had a different document. But I think he sensed, as I did, that this country is not the product of any one government, of any one Premier or of any one Prime Minister.

I think it is fair to state that the Prime Minister of this country, in spite of the predictions prior

to the conference, showed a degree of flexibility and a recognition that, to have some sense of belonging in this process, he too was prepared to move away from his very strongly held positions.

As I review the past four days, I want to pay tribute—as will the opposition members, because this is a nonpartisan event—to the Minister of Intergovernmental Affairs (Mr. Wells) and the Attorney General (Mr. McMurtry) of this province, who worked hard not only in the hours they dedicated but also in the way they conciliated, the way they worked with their fellow ministers, in the way they gave direction and took part in the activities in the late hours of the evenings and into a couple of mornings this week and in the way they were able to work with their colleagues from across this country. I think it is appropriate to recognize the contribution of those two ministers of the crown.

I should also acknowledge the work, some for many years, of some public servants of this province—I do not know whether they are in the gallery today, and I apologize for not having a written statement, but time would not permit—of Rendall Dick, the former Deputy Attorney General, the former Deputy Treasurer and now the present Deputy Attorney General, who has been involved in this process; the Deputy Minister of Intergovernmental Affairs, Donald Stevenson, who has a tremendous knowledge and experience in this field; and Allan Leal, Gary Posen, John Cavarzan and Mr. Segal, whose contributions in the past year and a half have assisted in this process. There were many others who made a contribution.

In terms of the substance of the agreement, patriation has been agreed to. We have agreed on an amending formula that, once again, does not represent perfection. It is a compromise, but it is an amending formula that I believe will work if we as Canadians want it to work.

11 a.m.

There are some alterations in the amending formula from what has been historically referred to as the Vancouver formula or the accord formula. The prime area is the deletion of the transfer of fiscal equivalents if a province opts out of a constitutional amendment that derogates from provincial rights. That is a sensitive issue. I was one of those who supported this, and I explained to my fellow Premiers that, while one might isolate certain situations, the reality is that if Ontario has the right to opt out—which we would have—and if there were a national program to represent the national will, if Ontario

or, as an even better example, Alberta were to opt out and still receive the fiscal equivalents, that would be rewarding provinces that should not have that sort of incentive or encouragement to opt out of a program that the rest of the country felt was in the national interest.

I know this created a concern for the Premier of Quebec. I think one has always looked at it without understanding that if we are to have that type of formula, there is the possibility that provinces that traditionally never would opt out would have that inducement or incentive. I felt very strongly, as did the Prime Minister and some other Premiers of the group of eight, that this was not an appropriate measure to have in an amending formula. We perhaps will hear more of this from the Premier of Quebec, but the Prime Minister also made it abundantly clear that while he could not support that fiscal transfer in terms of an amending formula, no government of this country is going to look at a province that through genuine principle or practical application determined that a national constitutional change would not work.

I think we have had that situation three times in the past many years, and the chances are that there will be very few such situations in the future. The government of this country will treat that particular province with fairness and equity. There is nothing in the formula that precludes the national government from moving in. If the people of Prince Edward Island, for example, cannot join the other nine provinces of this country on a matter of principle, who is going to say to them they are going to be penalized? No one is looking for a penalty. What we are looking for is a formula that does not provide an incentive or encouragement.

There will be some criticism of the principle of opting out. One cannot opt out of the charter itself or out of those matters in the federal jurisdiction. To put it simplistically, and there are variations, it is confined to those constitutional changes that would take away the traditional rights of the provinces. I think it is a workable formula. It may be that my successor 10, 15 or 20 years down the road—my successor on this side of the House—and other first ministers will find an even better amending formula or some variation. We are not precluded from that either.

I move to the charter itself. There will be those who will say it has been altered as it exists in the resolution. I do not argue with that. But the reality is, provinces that six days ago were opposed to the principle of a charter being

entrenched in our constitution are now saying: "We accept the principle; we are prepared to entrench democratic rights and mobility rights."

We also reached a compromise with respect to the fundamental rights. That was one I hoped would be in the non-notwithstanding approach, along with legal and equality rights. A number of provinces will not take the notwithstanding approach. There were those in the group of eight who, my guess is, will accept fundamental rights as a matter of course. I think the Premier of Alberta expressed it in terms of his own province—his concern about the entrenchment or not having the right to put in a notwithstanding clause.

I emphasize that right also contains with it the necessity to put in a sunset provision so no Legislature can do it in perpetuity. It automatically comes up every five years so that the conscience of those legislators, at that time, will have to be tested as it relates to the social attitudes in their provinces. I am an optimist and my prediction is it will not be many years before the fundamental rights will be part of the entrenched part of the charter in this country as a matter of course.

The question of equality rights is a sensitive area. It was Premier Hatfield who suggested this after I suggested we would take a look at the accord formula for amendment if the other Premiers would move towards accepting the principle of the charter, so one has the equality rights section and the legal rights section.

I think our Attorney General has expressed, not the reservation about the principle but the concern that perhaps there is some wisdom in refining or taking a look at the legal rights section. No one opposes legal rights at all—I want to say that for the other Premiers. It is a question of having it in sufficient balance that it is workable.

The members have all had representations. We have had discussions with the police chiefs' associations, not of this province but of Canada. We have had the crown attorneys. There have been the civil libertarians. I think our own Attorney General understands the concern that has been expressed with respect to the provision of legal rights. While I would have preferred to have equality rights and legal rights in there, I think over a period of years we will find that they too will find their way by way of practice into the national charter, if I can phrase it in that fashion.

Ontario introduced the principle of mobility, and that is in the charter. I have expressed my

views, sometimes emotionally, on this subject. I happen to believe in it and it is there. One has to be Premier of Newfoundland to understand what the implications of that section are. That province has an unemployment rate well above the national average, and the Premier wants to find employment for the citizens of that province. We have found an accommodation that accepts the principle but understands the diversity of this country.

I express regret this was also an area where the Premier of Quebec said he could not support the agreement. I regret it because I think maybe words could have been found to maintain the principle but recognize some of the concerns of the Premier of that great province. But it is there. That, to me, is fundamental.

We have, as well, the principle of equalization. That is there. That is basic to the functioning of this country. The recognition of regional disparities and the agreement we reached on resources are included in the agreement reached yesterday in the nation's capital.

I would be less than honest if I did not express my concern at the decision of the Premier of Quebec on behalf of his government not to sign that agreement. I think some of the members saw his point of view being expressed. His opposition, his reluctance, his decision not to sign was based on the mobility section and was based on the fiscal equivalency.

I regret it but I said publicly, and I will say it again, I think the Prime Minister and every Premier in this country were dedicated to finding the ways and means to make it abundantly clear there was no attempt to isolate the people of Quebec in this discussion. I sat there, I listened, I know whereof I speak. I only hope at some point we can bring the government of Quebec into this relationship and into this agreement because that is important to the future of this country.

Mr. Stokes: Where does that leave native rights?

11:10 a.m.

Hon. Mr. Davis: Mr. Speaker, I will have the document distributed. The honourable member has, as we all do, a very genuine interest in this subject. I would note that the native people themselves had made representations to the government of Canada and to this government about their concern over the wording that was in the present resolution.

The agreement that has been signed by all

first ministers, or one or two acting on behalf of their first ministers, contains a specific section that a constitutional conference will be held, as provided for in the resolution, and include in its agenda the item directly affecting the aboriginal peoples of Canada. The native people will be invited to attend that conference to sort out and find wording—whatever it is we need to do—to have that ultimately included within the constitution. That was part of the agreement, as the honourable member will be able to read in clause five.

Mr. Speaker, perhaps I have taken longer than I should have. However, I emphasize that while there will be those who question and have reservations, and while there are some of us who would have liked to have seen more, at the same time what was accomplished in Ottawa yesterday, to me, is significant.

I could sense it as I sat there yesterday afternoon. It was not quite a feeling of relief, but I sat there with first ministers, some of whom were not talking to one another, and we had been debating these things. The rhetoric has been pretty great over the past year. There has been rhetoric with respect to the Prime Minister and the government of Canada—we all know what has been said. But the heads of governments, regrettably with the exception of the Premier of Quebec, were sort of saying as one: "We have done it; we are going to have patriation; we are going to have a charter; we have agreed on a formula; the constitutional discussion at this phase is over."

We really are saying that at one o'clock yesterday this country, after 114 years, has achieved nationhood.

[Applause.]

Mr. Smith: Mr. Speaker, this is a very happy moment in the Legislature. It is a moment in which I am able to rise to first of all commend the Premier on an excellent summary of the situation that he has just presented to us. More than that, I am able to associate myself wholeheartedly with the accommodation which, as he says, is not perfect but is a decent, honourable and useful compromise.

I believe had I been given the same document to sign I would have signed it—and just as happily as the Premier has signed it. Therefore I am especially pleased that we can speak on this matter with no sign at all of partisan difference, but rather with the good feeling we have as Canadians, as residents of Ontario and legislators in this Assembly.

When the news came out he was prepared to

be conciliatory on the subject of our so-called veto I supported him in this. The Premier may not be aware of that but he should know it.

Hon. Mr. Davis: There were others who did not.

Mr. Smith: There may have been others who did not, but he should know that I supported him, and did so publicly. He should know as well that when the news of the agreement came out I stood to pay tribute to him and his fellow first ministers for having achieved that accord.

I believe we should pay tribute to Premier Peckford, whose solution was eventually chosen. But I think the contribution of our own Premier in being willing to be conciliatory and in being willing to help to negotiate between the various parties was equally important, if not even more important. I am willing to say that and am very happy to say that. There were times I felt that perhaps such conciliation would have been Ontario's role earlier than the eleventh hour, but better late than never. Perhaps the timing turned out to be just right in the long run anyhow. I want to say that very sincerely.

I hope I may take a moment, with the willingness and wholehearted appreciation of other people in the House, to pay tribute also to my national leader, a man for whom this constitutional issue has been a burning personal issue. A good many Canadians might well have wondered why it was something he felt it was necessary to deal with. He has had the courage to stand up to much criticism. He has shown flexibility in the last analysis. He has shown a sense of what Canada is all about. I am very proud to serve in the party of which he is the national leader, and I want publicly to pay tribute to Pierre Elliott Trudeau on this accomplishment.

I suspect the very process of the negotiations—which we watched and frankly found incomprehensible most of the time—and the outcome establish plainly the reality of regionalism in this country. We in Ontario sometimes fail to understand that. We are so closely identified with a central government and with a sense of Canada as a unity that we sometimes forget the importance of regionalism as a potential source of strength in this country. But the regionalism of our nation was recognized by the process of bargaining that went on, and in a sense the very compromise has recognized the regionalism. That is fine. I do not see anything wrong with that. There is no way that a country whose population is stretched so narrowly from one ocean to the other could expect to avoid

regionalism as a reality of feeling among Canadians everywhere. I think the compromise recognizes it, and recognizes it in a useful way.

I am not happy that people can opt out of certain provisions, but I agree with the Premier that they have done everything possible to make it difficult to opt out. In the long run, maybe people will not be opted out. I can live with the amending formula. I am happy with most of the compromises that were made, even though, as the Premier says, I would have preferred the original document. But that was not to be.

I am concerned about what is going to happen in Quebec. The people of Quebec are once again going to be the subject of competing arguments. It seems as though they are never to be left alone with these matters. They are going to find people of beliefs, which are sometimes opposite to one another, going before them in one way or another, seeking their views and seeking their allegiance. Whether it will be in the form of some vote or just in a general political sense, I do not know.

But I am disappointed the government of Quebec saw fit to oppose this compromise so vehemently. I would have thought they could live with it, frankly. I would have hoped that Canadians everywhere could realize there is more in it for all of us to be generous with one another than to be especially protective of ourselves. We should have enough confidence in ourselves after these many years to know that Canada can survive and even our various regions can survive, with whatever identity we wish to give them, without the necessity to be anything less than generous to those minorities who live among us. I would have hoped that could have been understood.

My view is that it goes beyond education rights. My personal view—and I do not wish to raise another issue here today; it is not the time for it—is that services are just as important as education rights. I still hope the day will come when in our own province something like the bill of the member for Ottawa East (Mr. Roy) or some other guarantee of services will be enshrined in legislation. I really believe that would be good for Canada.

11:20 a.m.

I accept that in the matter of language of education there is apparently a problem in the government of Quebec. The Premier did not mention that when he spoke of the objections. Perhaps he meant to or he mentioned it at other times. But there is, I think, a serious question

there. I want to say to my friends in Quebec that they really have nothing to fear from that provision.

Je veux dire à mes amis dans la province du Québec que Québec ne perdra rien en permettant le choix dans le royaume d'éducation.

Moi-même, j'ai reçu le bénéfice d'une éducation en anglais dans la province du Québec. Québec est très généreux envers ses minorités anglophones. Je comprends très bien qu'ils craignent perdre l'identité francophone dans la province si l'on donne trop à la très forte minorité anglophone.

Mais selon toutes les indications à Québec maintenant, les francophones sont en contrôle et ils vont y rester. Les vraies questions dans la province du Québec sont celles de la langue dans la place du travail. La langue de travail doit être le français dans la province du Québec. Et on ne va pas garantir cela en réduisant les droits des anglophones à l'éducation en la langue anglaise.

On peut être généreux envers les minorités sans avoir peur de perdre quelque chose d'important dans le procès qui continue chaque jour à garantir l'atmosphère et l'esprit français dans la province du Québec.

Je veux dire sincèrement que j'espère que la population de la province du Québec va prendre l'attitude qu'on pourra accepter ces droits. C'est naturel quand on donne un droit à la population, que le gouvernement, soit fédéral soit provincial, va perdre quelque chose, parce que ce sont les individus qui vont obtenir quelque chose. Mais la province du Québec n'a rien à perdre, n'a rien à craindre de ces amendements et de ces droits inscrits dans la charte.

So I believe that much good has been done for our country by the compromise; I believe that our Premier represented us well at the congress; I believe that the country will be stronger as a result. My concerns about Quebec, I am sure, are shared by other members in the House, but we will do our best to persuade our friends in Quebec that they have nothing to lose and nothing to fear from a reasonable amount of generosity, which has always existed in Quebec until very recent years with the anglophone minority. We for our part, I trust, will reciprocate those feelings in Ontario.

Canada is a very great country. It is a great country for all of us in every province, no matter what language we speak, no matter what our ethnic background is. I am happy to see that this

week our country has moved towards its coming of age, and I pay tribute to all who have been involved in that process.

Mr. MacDonald: Mr. Speaker, in future years November 5 is going to be an historic date. I envisage the day, perhaps, when school children visit this building and are brought up into the hallway out there and are asked to take a look at the Fathers of Confederation. It is even possible that it will be supplemented with or replaced by the fathers of reconfederation.

I can quite understand the Premier starting for the first time in his life to collect memorabilia and having at the top of that list the original document signed by all of the first ministers yesterday because it is, I repeat, a truly historic achievement.

Occasionally we try to rescue ourselves from the inevitable and perhaps even desirable measure of partisanship that characterizes exchanges, and take the more ecumenical approach of focussing on the great common ground we share. I think this is one of those occasions and I want to join generally with the Leader of the Opposition and the Premier in tribute to what went on.

I confess the news yesterday was perhaps as great a measure of profound relief as I have had on anything for quite some time. I have lived with this constitutional issue, partly because of an interest in it from my days under J. A. Corry at Queen's University decades back but more recently as chairman of the constitution committee in our caucus here and as a member of the constitution committee within the framework of the federal New Democratic Party. Periodically I have had the privilege of discussing with various Ontario government advisers as well as Saskatchewan government advisers what was going to happen to try to get the breakthrough we needed.

There were many times when one came to the conclusion that perhaps the breakthrough was not possible, that there was not that necessary element of statesmanship among our leaders today to make it possible. I have often used the analogy of what went on back in the days of Confederation with people such as Sir John A. Macdonald and George Brown, who hated each other with an intensity I suspect surpasses the intensity of personal antagonism between any leaders in Canada today; yet this nation was born because they were able to set that antagonism aside, set some of their political differences aside and come together to make possible a new nation on the northern half of the North American continent.

There is something I have felt very strongly about and have urged among my colleagues, both here, federally and generally, when I was speaking on this issue. It is that one has to recognize in the process of constitutional reform that one may set forward goals on which one places extremely high priority but one always has to do it in the framework of a certain tentativeness. In the final analysis there have to be tradeoffs. One may not like it, it may be demeaning, but there have to be tradeoffs.

The exciting thing about what happened in Ottawa, in what must have been a blood, sweat and tears process, was that finally the necessary element of statesmanship emerged. That petulant Peckford who was sticking to the mobility issue in terms of labour was willing to modify it. Everybody else in equivalent ways was willing to modify. As our Premier has said, it is not a perfect document, but in a federal state one can never get a perfect document because it is the product of that basic necessary compromise.

Perhaps nothing has concerned me more in this whole process than the fact Ontario was willing to forego its traditional role in federal-provincial relationships until almost the eleventh hour. That traditional role has been one of establishing a working relationship with other provinces. It is not traditional to permit itself to be isolated in the fashion Ontario tragically had become isolated, but to play the mediating role between French Canada and English Canada because of our geographic and historic ties with Quebec.

Without spelling that out, because we are all familiar with it, what has happened in the last decade is that Ontario has moved into a new role in which we had total, uncritical identification with the federal position. Our working relationships with the other provinces virtually disappeared, whereas in years gone by when the Premier of Ontario spoke most people tended to agree and go along with him.

11:30 a.m.

Tragically, in recent years if the Premier of Ontario tended to take a position, the other nine were likely to line up against him. For us who live and work in the province, the longer that went on not only is it tragic for us, it is tragic for this nation. I am convinced the continuing role of Ontario in that historic pattern is there. It emerged in the course of the negotiations.

The Premier well knows that on occasion I presumed to call up some of his advisers on this issue and say, "Why cannot Ontario move in and attempt to bridge the gap that existed there?" I

am not going to be critical and second-guess that he did not do it until the eleventh hour, because I recognize that timing is of the essence. But at least Ontario has now moved back into something of that traditional role. On television last night, I saw that rather touching scene where Peter Lougheed turned and said, "Bill, you even helped to persuade me." That was really touching.

However, as my final comments on what has happened here, I want to suggest very strongly to the Premier that he should pursue with vigor the re-establishment of that historic role of Ontario. He should do it in terms of those two areas which, despite all of the euphoria and all of the relief over yesterday's achievement, if I may borrow Joe Clark's phrase, represent "dark shadows."

The one, of course, is the problem of Quebec. The Premier will forgive me if I speak feelingly on Quebec. My great-grandfather carved a farm out of the bush in Quebec south of Montreal. I grew up in Quebec from the age of 10 and most of my family lived in Quebec. I am proud to assert I am a Quebecois. I would like to be considered a Quebecois.

What happened yesterday admittedly takes us out of the pattern of the last year or so when we had, as some people said, as great a threat of separatism from western Canada as we had from Quebec. Perhaps that has been resolved but we are back to square one, the problem of how we establish a working relationship with Quebec. I would like to have believed that if the only two—and I do not have the details clear in my mind yet exactly what was achieved—but if the only two reasons for not signing the agreement were the mobility section and the fiscal equivalent signing-out section, I find it a little difficult understanding why, if those were the only two, Premier Levesque could not have signed it on behalf of Quebec.

But we have seen enough in the last year or two. Do not underestimate who is really in touch with Quebec and its people. I, for one, am not going to say that Levesque is not. It may well be he knows what the people of Quebec feel on these issues strongly enough that we have a massive job—to borrow the phraseology of the referendum era—of appealing to the hearts and minds of the people of Quebec.

I come back to my essential theme. Ontario has to play a role in that, a greater role it has played in recent years. In order to play an effective role, Ontario has to do something to refurbish and rebuild its credibility. Without

pursuing it any more, dare I say section 133 will have to be looked at, or the issues that were raised by the Leader of the Opposition.

The second area of dark shadow—and I am sorry I am not comforted by the Premier's suggestion that section 5 makes a commitment to a conference to take a look at aboriginal rights. If one reads this morning's paper, there is a sense of burning outrage among native peoples in this country. I can quite understand their burning outrage. After years of struggle and then sort of being kept out of the whole consultative process in constitutional reform, finally they got a revision in the package in the House of Commons that included a protection of aboriginal rights.

The specious illogic of the argument that I saw in one story in the paper this morning was that because there were differences among the native people, and they were not happy with what was there because it was less than perfect and they wanted it to be closer to perfect, the answer was to strike it out of the charter, totally, even though he has given promise of a conference in which he is going to sit down to address it.

I repeat, it is an insult; it is an affront. I can understand the sense of outrage among the people. However, we leave that with the plea that Ontario will pick up on its historic role and pursue it.

I join with others in paying tribute to the Premier in re-establishing that mediating role, in bringing in a measure and a mood for entertaining flexibility.

I pay tribute, because nobody else has particularly mentioned it, to the role of Allan Blakeney, because he has been in a very difficult position in recent months. Western Canada is massively lined up politically these days, and he has to live with his electorate. Everybody knew that Allan Blakeney had to live with it, and yet there were measures of flexibility that he was willing to entertain. Only in the final process was he able to come in and share in that. While it may be deemed a Peckford compromise, I think Allan Blakeney and our Premier played a major role in the initial work that ultimately ended up in the so-called Peckford compromise.

It was a great day yesterday, and as we resume the partisan exchanges in the days to come, I do not think the measure of that achievement will diminish at all.

Mr. Speaker: As everybody has said, it is indeed a great, momentous occasion, and I would like, on a very personal basis, to extend

my thanks to all those people right across this country, from coast to coast, who participated in coming to a successful conclusion.

ORAL QUESTIONS

(continued)

Mr. Speaker: Now, we revert to question period and, according to my arithmetic, there are 25 minutes left. The Clerk tells me it is 24, but we will settle for 25, because I am sure that when the Premier came in we lost at least a minute. I am going to recognize the member for Downsview (Mr. Di Santo), who has been on his feet several times.

Mr. Di Santo: The Minister of Labour is not here; so I will give the floor to my colleague.

ROYAL COMMISSION ON THE NORTHERN ENVIRONMENT

Mr. Stokes: Mr. Speaker, I have a question for the Premier.

Is the Premier aware of the great concern among all the people of northern Ontario about the inability of the Royal Commission on the Northern Environment to come to grips with urgent and pressing problems in northern Ontario? Specifically, is the Premier aware that there has been a firing and some resignations within the commission?

Is the Premier not concerned that we have spent between \$5 million and \$6 million on this process and yet nothing seems to be coming by way of even an interim recommendation with regard to social and economic issues? They have not been involved in strategic land-use planning or any of the things that have happened of major importance in northwestern Ontario.

Does this concern the Premier, and is he about to do anything to try to get that royal commission back on the rails?

Hon. Mr. Davis: Obviously I have some knowledge, Mr. Speaker, but it is not up to date this week. I give an undertaking to the honourable member that some time next week—I cannot promise him that it will be Monday or Tuesday—the Provincial Secretary for Resources Development (Mr. Ramsay) will give him an update and some answer to the question he raised.

It might not satisfy the member in all aspects, but I will ask him to prepare an update as to what is happening and to have it for the member and for the House. I have not talked to him for a

few days, and I cannot tell whether it will be in the early part of next week or the latter part of the week.

11:40 a.m.

SPADINA EXPRESSWAY; HIGHWAY 400 EXTENSION

Mr. Ruprecht: Mr. Speaker, I will ask the Premier, in the absence of the Attorney General, if he will please explain to this House why up to this date his government has failed to respond to a city of Toronto request to rescind the four Metropolitan Toronto bylaws approved by orders in council and the six orders of the Ontario Municipal Board which permit the extension of the Spadina Expressway south of Eglinton.

Hon. Mr. Davis: Mr. Speaker, I will consult with the Attorney General and get an answer to the honourable member's question. Once again, I will not promise that it will be Monday, but I hope it will be the early part of the week.

Mr. Ruprecht: Since the Premier has indicated many times, and I have a quote here that he said it categorically, that "there will be no extension of the roadway beyond the terminus of the Allen roadway at Eglinton Avenue," will he give us his personal commitment that he will stick by that promise he made on May 19?

Hon. Mr. Davis: Mr. Speaker, for the sake of the historical record, that promise was made some time in May, June, July, August or whenever of 1971. It is now more than 10 years of age, which makes it almost a convention. I can assure the honourable member that after that length of time I have no intention of changing my mind.

Mr. Di Santo: Mr. Speaker, can the Premier explain to the House why the extension of Highway 400, which is completed from Jane to Eglinton, has not been opened and will not be opened until next year? I assume that meanwhile there will be maintenance expenses and it will not serve the purpose for which the government decided to build the road: to relieve the traffic in that area.

Hon. Mr. Davis: Mr. Speaker, while I know the Attorney General has left to do some very important work—I think he has to go out and make a speech in Calgary—I notice the Minister of Transportation and Communications (Mr. Snow), as is his custom on Friday mornings, is here this morning. No man is more knowledgeable about the great transportation system we have in this province. He has all the up-to-date

information, and I am sure he would be willing to share that information with the member for Downsview.

Hon. Mr. Snow: Mr. Speaker, in the matter of the extension of Highway 400, or Black Creek Drive as it known officially now, I am sure the honourable member is well aware that the commitment was made by this government to build Black Creek Drive from Jane Street to St. Clair Avenue. All that work is now either completed or under construction.

I believe two contracts are yet to be completed. One of those contracts is for a grade separation underneath the railway tracks south of Eglinton, which is well under way and nearing completion. The other contract is for work on Weston Road, including the part of Black Creek Drive under the railway tracks.

The portion of road from Jane Street south to Eglinton and some of the work below Eglinton is now completed as far as we are concerned. The ministry has written to Metropolitan Toronto, saying this road is completed and we have turned it over to Metro as it is their road. As I understand it, it has been the decision of Metropolitan Toronto not to open that section of road until the total job is complete.

I agreed with Metro Toronto and with the other elected officials of the borough that we would try not to spread the contracts out over a long period of time so that there would be a minimum amount of time between the completion to Eglinton and completion of the total job. We have condensed those contracts into as short a period as possible and the total job, as it is scheduled now, will be completed by next fall, barring unforeseen circumstances. The concern was that if the job were spread out too long there would be a long period between the time it was open to Eglinton and the time it was open to St. Clair. We have condensed that to one year.

As far as I am concerned, we have met all our commitments, we have done it quickly and scheduled it as closely as we possibly could, and it is now a decision of Metro and the Metro boroughs as to whether they open that road. We have finished it, it is complete and it is ready to open.

COUNCIL OF REGENTS

Mr. Grande: Mr. Speaker, my question is for the Minister of Colleges and Universities.

The chairman of the Council of Regents of Colleges of Applied Arts and Technology sent a memorandum, dated June 5, to the chairmen and presidents of the colleges of applied arts and technology.

This memorandum states: "On the basis of the review of college governments conducted by the Council of Regents, the minister has adopted the following points . . ."

One of the points the minister has adopted is that the Council of Regents may remove, as well as appoint, governors of colleges of applied arts and technology.

Can the minister give this House the compelling reason why she wants this perfect political, Tory realignment of the decisions made in our colleges?

Hon. Miss Stephenson: Mr. Speaker, I ask the member to look at the membership of the Council of Regents from time to time and decide whether it is a perfect political or Tory ploy. The Council of Regents is representative of a wide-ranging group of people with experience within the community college system, and their political allegiance had precious little to do with whether they were ever appointed to that council.

It was on the basis of an examination of the problems of governance within the community college system, carried out at the initiative of the Council of Regents but participated in by the faculties, boards of governors, staff associations and student bodies, that recommendations were made regarding the appointment of individuals to boards of governors of community colleges.

The consensus was that this should be carried out by the Council of Regents, and it seemed that the only questions were about the actual method of selecting names at the local level for submission to the council and the term and number of representatives on each of the boards.

None of this is cast in stone. However, if it is widely recommended, I believe it is an appropriate mechanism to pursue for a period of time that will allow for the appropriate kind of examination of the mechanism.

Mr. Grande: Can the minister then explain why she does not trust the municipal councils across this province to decide who their appointees should be?

Can she also tell us why she does not trust the unions of this province to decide whose voices should be heard on the boards of governors of the colleges?

Finally, why are the students in our colleges totally disfranchised?

Will the minister tell us about her fears? Is it because she wants to stamp out opinions on the boards that may contradict her regressive and destructive cutback mentality?

Hon. Miss Stephenson: Mr. Speaker, I question whether that last bit of rhetorical waste really deserves a response.

Mr. Grande: That is the reason the minister is doing it.

Hon. Miss Stephenson: That is not the reason.

Mr. Speaker: That was an observation. I think the first part was a valid question.

Hon. Miss Stephenson: The member for Oakwood knows perfectly well that is not the reason. I do not know what kind of political grandstanding he is attempting to carry out at this point.

There is ample opportunity for labour unions and any number of groups within a municipality, community or region to strongly suggest names to a board of governors. Those names are then transmitted to the Council of Regents. The source of all the names for those appointments is the local community.

I think we have urged, with a great deal of success, the understanding and sensitivity of the boards of governors of community colleges to the absolute need to have broad representation.

In almost all instances we have had excellent representation from trade union representatives within those communities and those regions. I believe that will continue, not just as it has in the past but also in future under the new method for appointment to the boards of governors.

11:50 a.m.

GASOLINE CREDIT CARD CHARGE

Mr. Bradley: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations.

Does the minister recall his predecessor's letters to Shell Canada and Texaco Canada on March 9, 1981, urging them, "in the strongest possible terms, to rescind the one per cent credit card charge," which is contrary to the government's petroleum franchising guidelines and is nothing more than an extra cost to the consumers without the companies being perceived as the villains?

What response did his ministry receive from the companies concerning the letters? Why, one year after it was imposed, does the minister allow this practice to continue when it is contrary to his guidelines and is nothing more than a consumer ripoff?

Hon. Mr. Walker: Mr. Speaker, I certainly do recall that matter. As recently as Tuesday of this week, I guess it was, I met for a short time with

the retail gasoline handlers and talked to them about that very matter. We have had ongoing discussions.

In point of fact, my recollection of the letters that were returned some time in April 1981 from Texaco and Shell is that they were not prepared to capitulate on the point and, basically, challenged us on it. It has been a question of negotiation and discussion. Frankly, the fact of the matter is that we have not got very far on it.

I agree with the sentiments expressed in the letter by the member for Scarborough Centre (Mr. Drea), who was the previous minister in this position. Discussions are ongoing; my parliamentary assistant is meeting again with the association a week from Friday, I believe it is, but in any case within a week or so, and it is my intention to meet with them again within the month.

Mr. Bradley: Is the minister aware that the Ontario Retail Gasoline and Automotive Service Association has received a legal opinion stating that Shell and Texaco have been collecting the one per cent charge illegally? Why does he allow this illegal practice to continue? Why does he not stand up to the major oil companies for the consumers of this province, taking into consideration this legal opinion?

Hon. Mr. Walker: The legal opinion first came to my attention when I met with them the last time, which was a few days ago. I anticipate they will supply me with a copy of that once they have had more opportunity to meet with my parliamentary assistant. I think at that time I will be able to formulate a better opinion.

Mr. Foulds: On a point of order, Mr. Speaker: I know the cabinet has onerous responsibilities, and I know there has been a historic announcement this morning. Nevertheless, there are only seven cabinet ministers in their seats for private members to ask questions of. I wanted to bring that to the attention of the House.

Mr. Speaker: I thank the honourable member for drawing that matter to our attention.

CONFLICT OF INTEREST LEGISLATION

Mr. Philip: Mr. Speaker, I have a new question for the Minister of Consumer and Commercial Relations. Is he not concerned that at least eight employees of the Residential Tenancy Commission, including four commissioners—that is, people who have to act in a quasi-judicial capacity—are now appearing on behalf of landlords before rent review hearings?

Since the minister refused to implement a

conflict-of-interest policy recently when we saw the scandalous occurrence of a former Minister of Consumer and Commercial Relations appearing before a quasi-judicial body of his ministry, now that we have examples that are possibly less politically embarrassing to the minister but none the less serious, will he consider moving towards a conflict-of-interest policy for his ministry?

Hon. Mr. Walker: Mr. Speaker, the matter has greater ramifications than just the Residential Tenancy Commission. It affects whether we bind a person, during his period of occupancy in an office he might be with, so that he will not do something after he leaves the office. To my knowledge, it has not been the nature of any of the governments across Canada to do that.

Indeed, it is fair to say that it has application in many ramifications of government. There are people who leave office as MPPs and who may appear before various bodies; for instance, there are lawyers who appear before the provincial court who actually are MPPs. There are also times when people who are appearing before tribunals and bodies of the government of Ontario, and indeed of other governments in Canada, have recently retired as MPPs.

Similarly, there have been people who have been civil servants in the Ontario service, or perhaps public servants, as these individuals might be, who have taken on responsibilities afterwards that are related. I am thinking of the assessment review area, where people who have been involved in assessment in the ministry may end up in front of the assessment review court.

This is not unusual. It is not uncommon to see it being done by members of the press who might normally be expected, in a media position, to offer a totally unbiased attitude, which is quite natural, and who then go and work for a political party. I think the honourable member's party, I know the Liberal Party and certainly the Conservative Party have had people from the press working for them.

There are some interesting parallels through all this, and that has to be kept in mind and in balance.

Mr. Philip: Those parallels are red herrings. The minister has raised more red herrings than a fisherman.

Does the minister not agree that the position of a cabinet minister or a public employee who is in a quasi-judicial capacity is quite different from that of an MPP or a member of the press? Does the minister not realize that other jurisdictions, such as the Interstate Commerce Com-

mission, have developed conflict-of-interest policies on their people who have acted in quasi-judicial capacities for the very reason that justice not only must be done but also must appear to be done?

What does the minister suggest that I tell my constituents who live at Tandridge and Arcot in Rexdale, in a rental project, who lost a half day's pay when a former employee of the Residential Tenancy Commission was able to obtain a new hearing, rather than a dismissal, on the grounds that his employer, the landlord, had violated the act and had not provided the necessary documentation so that the hearing could take place?

What should I tell them to convince them that this former employee did not have an inside influence on that rent review officer, no matter how just I may happen to know that rent review officer's decisions are?

Hon. Mr. Walker: On the specific hearing, I would have to get more details before I made additional comments. I have not had that one brought to my attention.

I realize that other countries have certain guidelines that flow from it, and perhaps in the United States the Interstate Commerce Commission does have that. But in our particular province it is not the case, and it is really not the case in many other jurisdictions in Canada.

The fact of the matter is that some people at the Residential Tenancy Commission attend on behalf of landlords, but I am also told that some of the people who have retired from the RTC also appear on behalf of tenants. So I suppose there might be landlords who show up and have the same opinion.

The actual fact of the matter is that when they are in our service, we expect them to provide very valuable and unbiased attitudes and unbiased judgement of what is going on. They are providing the justice. They may decide to leave and then go to work for either the tenants or the landlords—and the case has been with both—but I do not see that as being a particularly strong and significant concern. As a matter of fact, I am told the cases are somewhat speedier now where some of them are involved, because they are able to crystallize the issues in a much better way.

The officers who are there, the residential tenancy officers who are currently in place, are able to mete out the kind of judgement they should be giving. That is totally unbiased; on neither side are they prepared to take any support. They are simply there reviewing the facts and determining whether the increase

should be permitted and, if so, to what extent. They are offering unbiased opinions. I see nothing wrong with that. What the member is doing is castigating those officers who are remaining.

Mr. Smith: Mr. Speaker, will the minister not consider something along the lines of a two year cooling-off period so that a person who leaves the Residential Tenancy Commission would have to wait two years before appearing on behalf of any kind of party to a dispute in front of that commission, such as exists in the federal guidelines for cabinet ministers?

12 noon

Does the minister not recognize that the concern is that a person appointed to be a commissioner in this quasi-judicial appointment might well be thought to be feathering his nest for the future by making a lot of decisions in favour of certain very wealthy landlords, in the expectation that he might then receive a lucrative posting with one of those landlords or an associated company?

I am not saying anybody has ever done that. I would not suggest that for a moment. What I am saying is, with a large number of members of the tenancy commission seeming to be moving into the employ of landlords right after they leave the commission, does the minister not recognize that for justice to appear to be being done, no matter how fair these decisions have been in the past—I am not questioning that—for appearances' sake it might be wise to have a cooling-off period by saying that when members leave the commission they have to spend a certain amount of time doing something other than being in the employ of a big landlord and appearing in front of that very commission?

Hon. Mr. Walker: It is an interesting suggestion, Mr. Speaker. It certainly is not something that is applied either to ourselves as cabinet ministers or indeed to retiring opposition leaders or retiring members of the Legislature or people who are in the Legislature at the moment. They can appear before various bodies of government. There is no restriction.

I find it interesting that the member would want to insist that these public servants be bound up by some contractual relationship, I presume. One must keep in mind that, once they have left government, there is not very much we can do if they want to do something, unless the member wants it to be a provincial offence to take on a contract to act on behalf of tenants or perhaps to act on behalf of landlords appearing before a commission.

It is certainly not something we are applying to ourselves. Indeed, I am not sure that a two-year cooling-off period would do that much. Presumably, if the position is that lucrative, they might simply wait for another two years and fall into the same category the member is suggesting.

AUTO PACT

Mr. Kerrio: Mr. Speaker, I have a question for the Deputy Premier. Now that the minister has a pipeline down to Ottawa, and maybe a listening ear, I wonder whether he and the Minister of Industry and Tourism (Mr. Grossman) might bend the ear of those people down there and consider altering the auto pact that continuously goes more and more into deficit?

I think the minister personally would have an interest in that matter as it relates to our area. I know he is going to say it is federal, but I ask him if he will do everything he can to renegotiate the auto pact to get Canadians back to work building automobiles and parts.

Hon. Mr. Welch: Mr. Speaker, I know the interest of the honourable member, and I appreciate the fact that he would underline my interest as member for Brock with respect to the health and viability of the automotive industry.

Certainly I have heard my colleagues the Minister of Industry and Tourism and the Minister of Intergovernmental Affairs (Mr. Wells) discuss this from time to time. It may be more appropriate if I draw the member's specific question to the Minister of Industry and Tourism's attention so that perhaps he could bring the member up to date with respect to any discussions that he, as the minister responsible, has had on this subject.

SPEAKER'S ROLE

Mr. MacDonald: Mr. Speaker, on a point of order: If the Speaker refers to page six of the Order Paper for today, he will see that the motion I introduced yesterday in the context of a question of privilege has been designated as a private member's motion tabled on November 5, 1981.

I am sure the Speaker will recall rather distinctly—if he needs to have his mind refreshed, he can look at page 1410-1 of yesterday's Instant Hansard—that he repeatedly designated this as a substantive motion; because it was a substantive motion, there had to be 24 hours' notice. I accepted his ruling, and I gave the 24 hours' notice. Now apparently it is designated in error

as a private member's motion rather than as a substantive motion. Will he see that this error on the part of the table is corrected, please?

Mr. Speaker: I will certainly inquire. I am not sure whether it is an error, but I will find out and I will report back.

Mr. MacDonald: If by any chance it is not an error, may I ask the Speaker why he changed his mind since yesterday and on whose advice he has changed his mind? This is part of the problem that produced my original motion.

Mr. Speaker: As I told the member, I will take a look at it. I see what he is getting at, but I will have to report back to him.

Mr. MacDonald: I hope you will not change your mind, Mr. Speaker.

Mr. Speaker: I am told it will appear on the Notice Paper every day until it is disposed of—I had this notation before—and I suppose that would be at a time arranged by the House leaders of the three parties.

Mr. MacDonald: Mr. Speaker, we are really getting bogged down here.

Mr. Speaker: Yes.

Mr. MacDonald: If it is deemed to be a private member's motion the House leaders do not decide when it is going to come before the House; if it is a substantive motion—

I do not know why I get the Clerk so exercised.

Mr. Speaker: No, he is not.

Mr. MacDonald: If he is not exercised, perhaps he can relax.

Mr. Speaker: I am listening.

Mr. MacDonald: Good.

I draw your attention to the definition of a substantive motion on page 12 of our Standing Orders: "A substantive motion is one that is not incidental to any other business of the House but is a self-contained proposal capable of expressing a decision of the House."

I submit that was my motion—a substantive motion—and it should not be put off into the private members' category, which is now going to be relegated to the so-called Thursday basket.

Mr. Speaker: With all respect, as I understand it—and I refer to this note I had—a private member's motion is a substantive motion, and it will be debated at a time arranged by the House leaders of the three parties, as I said earlier.

Hon. Mr. Wells: Could I say a word? I am sorry because I was not here and I am just sort of

reading through the Votes and Proceedings and the Hansards on this. But it is my understanding of the rules—and I would be very pleased if you would look at them, sir, and perhaps if the member for York South would also look at them—that the motions and resolutions made under private members' business are in fact substantive motions. They sometimes deal with resolutions concerning matters in this province or outside this province or sometimes the rules of this House and various things, as my friend knows.

The general procedure in this House for motions such as he has moved is to consider them as private members' motions and consider them under the rules and procedures that pertain to those. I cannot see the argument that this is some kind of special motion which would be dealt with by the House leaders and called at a certain time. It will come up when my friend's turn comes in private members' motions.

Interjections.

Mr. MacDonald: On a point of order, Mr. Speaker: This is precisely the point I want to get at. When I introduced the motion yesterday it was described as a substantive motion, and a substantive motion, according to the definition I have just read to you, is one that is going to be presented to the House and disposed of not in the private members' Thursday basket, so-called. If it were a private member's motion in the context of one that is going to be—

I would like to have the House leader's attention so he will understand what I am saying or at least hear what I am saying, whether or not he understands it.

If it was a private member's motion in the context of one that is going to come up on Thursday night it needed no notice.

Hon. Mr. Wells: Yes it did.

Mr. MacDonald: No, it did not need any notice. I can get up and read it or I can put it on the table; it needs no notice. Yesterday it was designated as requiring notice; therefore, it was a substantive motion of a different sort, not one that goes into the private members' Thursday period. I am willing to accept that the House leaders should designate when it will be debated, but I think that under the circumstances it should not be delayed unduly. I contend that it is a serious and important matter, otherwise I would not have moved it.

Mr. Foulds: On a point of order, Mr. Speaker: Maybe I could just speak for a moment or two about how I interpreted yesterday's events. If

the motion had been ruled a procedural motion it would have been in order and would have to have been dealt with yesterday. But it was deemed not to be a procedural motion; it was designated a substantive motion, and no mention was made yesterday, either by you or by anybody participating in the debate or the exchange of points of order, that it would be a private member's bill. It was designated a substantive motion. It was certainly the clear understanding of the House at the conclusion and the acceptance of my colleague from York South that he was giving notice, he was filing it in writing and it would be debatable within a period of 24 hours.

Interjections.

12:10 p.m.

Mr. Speaker: Order, order.

Hon. Mr. Wells: I wish my friend would tell me where it says that any substantive motion must be debated within 24 hours.

Mr. Foulds: Not within—after the period of.

Hon. Mr. Wells: You said within.

Mr. Speaker: Order, order. We are getting bogged down, as the member for York South suggested.

If I may put a question to the member for York South, does he feel in some way that his motion has diminished in importance? Is that the real issue?

Mr. MacDonald: If you put the question to me, Mr. Speaker, of course. I do not know where I am on the roll. I may not get on until next year. This is ludicrous. This is a substantive motion that was raised in the context of a question of privilege and it is dealt with forthwith and disposed of by the House. If you want it after 24 hours, okay, after 24 hours. I intend to move that motion on Monday.

If what happened yesterday does not give me the right to do it, then our rules have an unstated blocking of any such motion. Surely you would agree it would be nonsensical to have a blocking of that kind of a motion coming into the House.

Mr. Speaker: Yes, that is quite right. I do not think there is any doubt as to the understanding. With all respect I would suggest to the government House leader that his observations are not correct.

I am further advised that it is a substantive motion and all motions of this kind are presented as private members' motions. This does not mean in any way it has to be, as suggested, allotted to one's particular time, whenever that may be.

I am also further advised that a motion such as a want-of-confidence motion is treated in exactly the same way. I think maybe there is a misunderstanding as to the intent of showing the motion the way it is. There is no misunderstanding on how it is going to be treated. All right?

Hon. Mr. Wells: There is a lot of misunderstanding over there.

Mr. Speaker: Order.

ELECTION SPENDING

Mr. Rotenberg: Mr. Speaker, I would like to rise on a point of privilege to correct the record. In my presentation yesterday afternoon in a private member's motion I was called to order on two separate occasions by members opposite on matters I stated.

The first was by the member for Bellwoods when he indicated the amount I said was spent on his campaign was not correct. I would like to indicate that the amount I gave at that time was not correct. The figures were given in good faith. However, I would like to explain to the House how I got the incorrect figures. As members know there are two forms: the statement of campaign expenditures by candidate and the statement of campaign expenditures by constituency associations. I now have the photostats from the member for Bellwoods. The number shown for the receipts of expenses for candidates, line two, is \$16,343; the amount shown for expenses of constituency associations is \$15,418. I said the total of the amount was approximately \$32,000.

However, what my research did not turn up—and because of this my research was in error—was that of that \$15,000 of constituency expenses, \$10,000 was transferred into the campaign and therefore counted twice, and \$4,000 was given to the New Democratic Party on a provincial basis. So although it shows as an expense, and I counted it, it really was not an expense on behalf of the candidate.

I see that although we may disagree from time to time in this House on philosophy and how we deal with things, I think it is always incumbent upon every member to try to get his facts correct. What I stated yesterday in this case was not correct. I indicated that the member for Bellwoods had spent a certain amount per voter and I compared his figure with mine. The actual amount per voter should have been 78 cents per voter compared to my 59 cents per voter, not the higher amount I stated. I do apologize to the member for Bellwoods, and I hope he will understand that the matter I brought forward was done in good faith and without malice.

Concerning the second matter, I spoke later in my presentation about transfers from the New Democratic Party to riding associations, and the member for Port Arthur (Mr. Foulds) rose and said, "The honourable member has it wrong again. There are no transfers from the central office to our riding associations." I have the return of the central New Democratic Party filed for this election and there is a page here, "New Democratic Party of Ontario Transfers to Riding Association Candidates"—a total of 17 ridings. This is from that; so I believe I was correct when I said there were transfers from the New Democratic Party's central riding associations, and the member for Port Arthur agrees. So I was wrong once and right once.

Mr. Foulds: Mr. Speaker, on behalf of the member for Bellwoods and the members of our caucus I would like to express our pleasure at the graciousness with which the member for Wilson Heights has dealt with a matter of some technical difficulty and confusion. He is certainly right on the first count, and in the limited way he put the second matter he is also right, although the major part of our central campaign is funded from a levy on the riding associations.

So I think we both understand the transfers. It is a technically difficult matter. We accept most graciously the apology extended by the member, and I am sure my colleagues and I will convey it to the member for Bellwoods. We are very pleased.

INTRODUCTION OF BILLS

EMMANUEL BIBLE COLLEGE INCORPORATION ACT

Mr. Newman on behalf of Mr. Sweeney moved, seconded by Mr. Wrye, first reading of Bill Pr38, An Act to incorporate Emmanuel Bible College.

Motion agreed to.

ORDERS OF THE DAY

ESTIMATES OF THE MINISTRY OF NORTHERN AFFAIRS

Mr. Chairman: Traditionally we have allowed the minister an opening statement. Does the minister have such a statement?

Hon. Mr. Bernier: Yes, Mr. Chairman. I have a very detailed report on the Ministry of Northern Affairs, but maybe I could ask the pages to deliver copies of my remarks to my critic in the Liberal Party, the member for Rainy River (Mr. T. P. Reid), and to the member for

Lake Nipigon (Mr. Stokes). I also have copies of my remarks for the leader of the official opposition (Mr. Smith) and the leader of the third party (Mr. Cassidy).

While the page is delivering copies of my remarks I would like to start my comments on a very pleasant note. I am particularly pleased to introduce and begin debate on the estimates of the Ministry of Northern Affairs on what is a very historic day for Canada.

12:20 p.m.

I want to take the opportunity to compliment and congratulate my own leader, the Premier of this province (Mr. Davis), for the outstanding contribution he made in bringing this day to fruition after some 114 years of effort by numerous other leaders. I think it is fair to say we are all in agreement that this is a historic day after listening to the remarks this morning by the Premier himself, the Leader of the Opposition and the member for York South (Mr. MacDonald) on behalf of the third party.

It is really bringing Canada into its own and making it a nation of its own, so I am particularly pleased this is the day we should begin to debate the estimates of the Ministry of Northern Affairs. I know the member for Lake Nipigon will agree with me when I say in 20, 30 or 50 years from now when the people of northern Ontario pick up the Hansard for today and read the historical comments of our Premier and see them followed by the examination of the Ministry of Northern Affairs, they will recognize we have found our rightful place not only in this province, Mr. Chairman, but in Canada as a whole. So it gives me—

Mr. Stokes: Guy Fawkes Day was yesterday, not today.

Hon. Mr. Bernier: Mr. Chairman, now that copies of my remarks have been distributed to the critics—

Mr. Chairman: Do you have one for the chairman?

Hon. Mr. Bernier: I do not, but I could get you a copy.

The Chairman: I would like to follow along and learn a little bit about the northern Ontario region.

Hon. Mr. Bernier: Mr. Chairman, my remarks might seem rather lengthy, but I would point out to the honourable members that this is the First Session of the Thirty-Second Parliament. We have a number of new members in our midst, and we felt in our ministry that it would be an

opportune time after some five years in service to the people of northern Ontario to detail the operations of our ministry and explain at great length just what the Ministry of Northern Affairs is all about and what it does in its total concept.

I would point out in all fairness that the critic for the Liberal Party, the member for Rainy River, spoke to me yesterday. He did regret not being able to be with us this morning, but he indicated he would be here Monday when we continue those estimates. I will be speaking until the clock runs out at about one o'clock. If not, I am sure the member for Lake Nipigon will fill in if I run short of words; and I am sure we will hear from the Liberal critic in due course.

Mr. Stokes: I will aid and abet the northern filibuster.

Hon. Mr. Bernier: No, this is not a northern filibuster. It is putting facts on the record. I think it is very important this information be made available not only to members of this House but to the people of Ontario as well.

Mr. Chairman, the estimates debates are traditionally an opportunity for each ministry to explain its budgetary spending. But Northern Affairs is different from other ministries in that much of what we do does not have a specific dollar cost attached to it.

I am referring to the ministry's advocacy role and its mandate to co-ordinate Ontario government policies and the programs of other ministries in northern Ontario. In a moment I will provide you examples of what I mean by advocacy and co-ordination. First, it might be useful to describe quickly the constituency we serve and the reason it has a separate ministry.

Northern Affairs is a unique ministry in that our mandate applies to a geographic, rather than a sectoral or line responsibility. The north itself is a unique region, comprising many norths in a sense. There is the north that takes in thriving cosmopolitan cities, such as Sudbury, Thunder Bay, Sault Ste. Marie, Timmins and North Bay. These are communities, the population of any of which is equal to or greater than the entire population of northern Saskatchewan.

There is also the north of our far northern remote villages, like Attawapiskat and Pikangikum where the normal amenities, such as obtaining fresh produce regularly, are a comparatively recent and costly luxury. In between are the Armstrongs, the Atikokans, Kirkland Lakes and the Ear Falls, communities of from 500 to 15,000 residents, typically depending on the north's

mineral or forest resources for their economic livelihood. These communities constitute perhaps the largest north of all.

In northern Ontario, just over 800,000 people occupy an area the size of western Europe. Some of those people are as far from Toronto as Toronto is from Memphis, Tennessee, or from Halifax. If northerners sometimes felt they were not being heard in Queen's Park it was probably because that was a long way to shout.

Our advocacy role derives from our unwritten mandate to listen and to bridge that geographic gap. The first step in doing that is to have the bulk of one's staff actually located in the north, as two thirds of my ministry is. This includes two assistant deputy ministers, one each in Sault Ste. Marie and Kenora, and a staff of about 70 in each region.

These people are in touch with the north in a way that is not possible for staff located in Queen's Park. Based on what they are hearing, seeing and reading every day in northern Ontario, the ministry acts in its role as advocate to bring about economic and social development in ways large and small.

Let me give the House a few examples. A couple of years ago, the Canadian National Institute for the Blind was going to cancel the northern route of its eye-testing van because it could no longer support the cost. We persuaded the Ministry of Health of the importance of this service and they agreed to fund its operating deficit. The van has visited the north both years since. This was an opportunity that Health saw, with us, to correct a service gap, and that ministry was easily prevailed upon to help out.

Similarly, the Ministry of Health was co-operative when we discussed a need for Ontario hospital insurance plan coverage for "sitting up" patients who were transferred between hospitals. The regulations have since been changed to allow for this coverage and it has made a difference to those northern Ontario patients who frequently require air ambulance transfers.

In the area of extended television service to the north we have been particularly active with the Ministry of Transportation and Communications in lobbying both the federal government and the Canadian Radio-television and Telecommunications Commission. We persuaded the CRTC to hold one of its hearings in Geraldton. That hearing later proved instrumental in the decision to license the Cancom Canadian Satellite Communications Incorporated service package of four stations.

The ministry is frequently represented in

interministerial groups as well as cabinet committees. We made a case for northern Via Rail service to the Ontario Task Force on Provincial Rail Policy and we sit on the cabinet committee on native affairs.

Mr. Stokes: A lot of good it did.

Hon. Mr. Bernier: We had to make an effort. I have to agree with the member for Lake Nipigon. I am sure he shares my disappointment that the federal Liberal members across northern Ontario were not more vocal, particularly on the Via Rail issue. I am sure we will hear more about that in future. It will not be long before that service across northern Ontario is cut.

If we cannot persuade another ministry entirely to fund a new or extended program for northern Ontario, we may provide the extra funding required to make it happen. In other cases, we may provide all the funding to enable one of the line ministries to support or develop a northern program.

I am not saying that Northern Affairs is the only ministry concerned with the north, far from it. For example, the Northern Affairs officers were once a branch of the Ministry of Natural Resources and that ministry, as many others, maintains competent, dedicated staff in northern Ontario, doing a first rate job of delivering their programs and many of ours.

But the uniqueness of northern Ontario's economic base, geography and cultural makeup requires a unique ministry. Our advocacy function involves being sensitive and attuned to the north's special economic and social situation. It also demands we have some practical experience and knowledge of the programs delivered by other ministries.

12:30 p.m.

This takes us into the second concept I want to discuss in this introduction of my estimates, and that is the ministry's co-ordinating role.

Getting something done by another ministry in one of the ways I have just described is the simplest form our co-ordinating role might take. At its most complex, it involves us in something like the Hornepayne Town Centre. This beautiful facility, which is really a prototype of the self-contained city of the future, involved three levels of government and two major companies—Canadian National and Hallmark Hotels—in its development. Four provincial ministries have co-operated in providing the capital funding and will have facilities in the completed centre.

As the man in the middle on this project, Northern Affairs has had an exciting, sometimes frustrating but always challenging role to play in co-ordinating the participation of the landlords and tenants in the Hornepayne project. The result is a single building containing a hotel, senior citizens apartments, a school, a library, a supermarket, stores, a swimming pool and more. All of this is located on the CN main line, halfway between Montreal and Winnipeg, which used to be referred to as the middle of nowhere.

Mr. Stokes: And now they have no more daily passenger service.

Hon. Mr. Bernier: Exactly right. The benefits to the community will come from the additional modern facilities. The centre will provide a focus for the social life of that community. It will provide economic stability for the town's largest employer, the CNR, whose Hornepayne employees now have added inducement for staying in the community, and it will provide a range of amenities previously unavailable to the residents of Hornepayne.

A special type of co-ordinating role the ministry has been called upon to play in the past is in emergency situations, such as we had with the Field flood a few years ago, and the worst forest fire evacuation in northwestern Ontario in 1980. Once the headlines have moved from the front page to the back, then disappeared altogether, we tend to forget these emergencies ever happened, but for the victims of these disasters, and the people whose job it is to co-ordinate their relief—

Mr. Stokes: Like Port Severn?

Hon. Mr. Bernier: We will look after that; that is coming, that is in the works. For the victims of these disasters, and the people whose job it is to co-ordinate their relief, it can be a long time before life truly returns to normal and the work is finally done.

I was in Field just last month to attend a small ceremony where a plaque was mounted at the site of the flood that destroyed more than half the homes in the township of Field. I was able to recall the events of that spring.

Herb Aiken, my assistant deputy minister in Sault Ste. Marie, was appointed the relief co-ordinator shortly after the Premier and I visited the area on May 2, 1979. Mr. Aiken spent 18 hours a day, both during and after the event, helping focus the efforts of the Ministries of Natural Resources, Housing, Intergovernmental Affairs and Government Services on the job at hand, providing for the comfort and eventual

relocation and re-establishment of more than 100 residences in Field. This was an example of several ministries pulling together under the co-ordination of a senior Northern Affairs staff member.

Another example was in northwestern Ontario in 1980, where assistant deputy minister Bill Charlton of Kenora, and members of his staff, put in long hours and many miles helping to co-ordinate the evacuation to Winnipeg and other centres in Manitoba of more than 4,000 people fleeing forest fires in the Red Lake area. Later, Bill managed the reimbursement program for those people who incurred expenses as a result of their evacuation. Again, as with the Field flood, there was an extra degree of effort and concern expended by everyone involved from our ministry that made me proud to be a part of such a team.

The Northern Affairs concept of advocacy and co-ordination depends on a commitment to the north. In a moment I will be discussing the ministry's new program structure; made up of activities that we feel address specific northern requirements in a very effective manner. They represent strategies we have developed over four and a half years that are best suited to realizing the goals and the objectives of our mandate, but they depend for their ultimate effectiveness on a desire throughout our ministry to do some good for our fellow northerners. They would not work without that desire.

The Northern Affairs concept also relies strongly on the self-help spirit of our northern communities. In this sense, we are facilitators, helping these communities to attain social and economic development where there is already some commitment on their part. This commitment may take the form of straight shared funding with a municipality, or it may be shown in public subscriptions raised for new facilities.

Where there are local service clubs, the individuals in those organizations can be counted upon to play a strong role in raising money to provide equipment and services, or providing those services themselves. And here, let me say I am not dictating what has to be the case; I am saying what often is the case.

By and large, this sort of initiative is the northern way. It helped to secure medical/dental facilities in 10 communities last year. It was behind the establishment of more than a dozen local services boards since we introduced the legislation in 1979. And it is always a key factor wherever a community wants capital assistance for any type of physical infrastructure.

Many of the examples of community assistance I have provided are drawn from the community development activity of our northern community services and development program. This program is one of four for which the members will be asked to vote funds.

At this time, I would like to draw attention to some changes in the ministry's votes and items. These changes represent a better articulation of the ministry's programs.

On page 14 of the briefing books, members will find the old and new programs compared. For purposes of accountability, this new focus provides the basis for a clearer audit trail, so to speak, and for measuring the effectiveness of activities within the ministry's four main program areas.

Because the ministry plays a co-ordinating role in so many programs delivered by other ministries, we have learned to pay close attention to results management. We have constantly tried to focus our attention on those areas we know to be critical to the north's social and economic wellbeing, now and for the future.

First among these is the area of economic development. For more than 100 years now, the north has been known chiefly for its resource wealth—and wealth there is in the minerals of the Sudbury basin and the giant forest stands of the northwest. These riches lured the first settlers to the north, and they continue to provide direct employment for more than one in 10 working northerners.

At the moment, there is a temporary softening in the forest industry. The Ontario government recognizes this, and the Ministry of Northern Affairs, with other ministries, is doing something to ensure the forest industry's long-term future.

Last year, with the federal government, Ontario provided \$150 million to Ontario pulp and paper companies. These grants are stimulating additional investment by these companies in excess of \$1 billion.

Mr. Stokes: But no new jobs.

Hon. Mr. Bernier: But it is guaranteeing them for the future. They will be there; 25 years from now those jobs will still be there.

This is money that is being invested in mill modernization, pollution abatement and energy generation or conservation. It is money that will keep our pulp and paper companies competitive on an international basis while ensuring job stability in that part of the woods products industry.

The Ministry of Northern Affairs supports the

forest industry in other ways. Through the transportation development component of our northern economic development programs, we provide funding to support the construction of forest access roads by the Ministry of Natural Resources. These enable small operators to reach large areas of mature timber in northern Ontario.

We provide funding to the Ontario Ministry of Natural Resources for its work in the development of nurseries and silvicultural camps, as well as forest soil surveys and various applied research projects to improve forest management, and through it, the northern Ontario economy.

Interruption.

Hon. Mr. Bernier: They are not from northern Ontario.

Mr. Chairman: I was just going to say, I wonder if they want to get into this discussion on northern Ontario.

Hon. Mr. Bernier: I thought it was a cheering section from northern Ontario, but I would not be so lucky.

Mr. Stokes: They are saying they want action, not words.

Hon. Mr. Bernier: Under the forest management subagreement with the Department of Regional Economic Expansion, we will begin construction of a 40-mile extension to the Vermilion River Road in northwestern Ontario.

As some members are aware, last year we completed work on the Manitou Road between Fort Frances and Dryden, an important social and economic link for that region. This year, the Dryden and Sioux Lookout areas are reaping the tourism benefits.

12:40 p.m.

The mining sector is being affected by current low metal prices. In northeastern Ontario, however, we have been involved for several years in what promises to be the largest gold mine ever opened on the the North American continent.

I am referring to the Detour Lake Mine under development 90 miles northeast of Cochrane. This past January we announced funding for the first access road into that area. Construction of that road is providing jobs right now.

This mine, when it opens some time in 1983, will guarantee employment in the area for the next 20 years.

Mr. Stokes: What did the Royal Commission on the Northern Environment have to say about that?

Hon. Mr. Bernier: I am just waiting for a comment.

Mr. Stokes: Aren't we all.

Hon. Mr. Bernier: Preliminary estimates of the ore body suggest that its size is in excess of 27 million metric tons. The joint venture group developing the mine is committed to 1981 expenditures of \$21 million for the construction of a permanent camp and for site development. This is in addition to the \$10 million spent to date in geological exploration on the property.

A final decision to proceed with the project, involving the investment of \$143 million between the present and 1983, has been made by the company as a result of the province's commitment through the Ministry of Northern Affairs to participate in providing road access.

Mr. Stokes: Does it mean a new town?

Hon. Mr. Bernier: Not yet; maybe in the future.

An operation of this size will directly employ approximately 500 people with an average wage in 1981 dollars in excess of \$20,000, for an annual payroll in excess of \$10 million. Its operation will result in a demand for an estimated 686 housing units in the area including Timmins, Iroquois Falls and Smooth Rock Falls. This will result in total housing construction of approximately \$22 million. I should add the community of Cochrane to the list of communities that will benefit from the Detour Lake areas.

Funding for the access road into the Detour Lake area will be spread over three years. Northern Affairs will request the allocation of \$6.7 million this year in its supplementary estimates for this important project. And it is part of these estimates; our supplementary estimates are a part of the whole package.

In other areas, Algoma Steel in Sault Ste. Marie has announced that it will spend about \$1.2 billion over the next five years on various expansions and modernizations of its facilities. About 880 full-time jobs are expected to be created, and an average of 1,000 full-time construction jobs will be created for each of the five construction years. In the longer term, Algoma has estimated that by 1990 new employment may increase by an additional 1,120 jobs, for a total of 2,000 new jobs by the end of the decade.

Mr. Chairman, I give you these facts and

figures to show that, despite some of the gloomy forecasts we are hearing, there will be new growth and economic development in northern Ontario for the foreseeable future.

I have not touched what is going on in Dryden, Kenora, Elliot Lake and a few other areas.

Mr. Stokes: While they import their ore from Michigan.

Hon. Mr. Bernier: Some of it—iron ore.

In mineral activities, the Ministry of Northern Affairs works very closely with the Ministry of Natural Resources in various projects under the Ontario Geological Survey. We are especially active in our support for community-based geological and geophysical surveys aimed at encouraging mineral exploration and development.

Members will recall that two years ago we released the results of electromagnetic surveys in the Kirkland Lake area which caused a mini-boom of staking. Last year we repeated the experiment in Atikokan with similar results.

Through this type of project, and with the custom gold-milling facilities being developed by the Ministry of Natural Resources with Board of Industrial Leadership and Development funding this year, the Ontario government is putting together a comprehensive program of second-generation mineral development in northern Ontario.

There are new resources on the horizon in northern Ontario. Just this week I was in Thunder Bay to address participants from around the world attending a peat symposium. I recognize that the member for Lake Nipigon was there, and much longer than I—

Mr. Stokes: I was at every session.

Hon. Mr. Bernier: He may be better informed than I am on this particular subject, I might say.

Mr. Kerrio: They should have had the \$650 million to develop it.

Hon. Mr. Bernier: That will come. I might say in all honesty that the member for Rainy River also was there for a short time to show his interest.

On this question of peat, I might say that about a year ago I had an opportunity to visit Ireland along with my assistant deputy minister, Bill Charlton, and I became very much involved and engrossed in the possibility of developing peat resources in northern Ontario. When we came back, we had several meetings with the Ministry of Energy and the Ministry of Natural

Resources to excite them about the possibility of examining resources in the moose pasture of northern Ontario.

I am pleased to report that sometimes those junkets to other parts of Canada or other parts of the world really do pay off, and this one on peat has paid off immensely. I am looking forward to the next decade for greater things to flow from the discovery and examination of this—

Mr. Stokes: So far, it is just words.

Hon. Mr. Bernier: Yes, I know. It has to start that way. It is there on the horizon for us to do something with.

Mr. Kerrio: Peat doesn't go bad.

Hon. Mr. Bernier: No, it doesn't go bad. It has been there for a long time.

We had representatives from Ireland, Scotland, New Zealand and Finland, as well as from Canada and the United States. These were experts in peat extraction and processing whom we were able to bring together in a forum with potential peat developers and users from this country. There are more than 42 billion metric tons of peat in northern Ontario, the energy equivalent to 72 billion barrels of oil. Very startling, Mr. Chairman.

With the uranium in Elliot Lake, oil and gas exploration going on in Hudson Bay, lignite in the James Bay area, biomass and our extensive peat resources, northern Ontario could very well be at the stage where this province's energy future, in part at least, will be enacted in the balance of this century.

An hon. member: You especially have an energetic ministry.

Mr. Chairman: You will notice the comment came from no one who was in his seat.

Mr. Stokes: It was not even spoken.

Hon. Mr. Bernier: Another way we support economic development in the north is through industrial development. Last year, Northern Affairs provided funding for industrial parks in Atikokan, North Bay and Sudbury. We have supported community economic development in Manitoulin Island, Blind River, Fort Frances, Kirkland Lake, Nipigon, Wawa and the English-Wabigoon area through stimulation of economic development committees and funding for economic studies of needs and opportunities.

Last week I was in Thunder Bay to meet with a group called Commerce Northwest, an incorporated body of the Northwestern Ontario

Associated Chambers of Commerce. With the assistance of Northern Affairs, they have hired a full-time person, Bill Brayshaw, a retired industrialist, to marry opportunities with entrepreneurs and to try to reduce the amount of goods and services being purchased outside the area.

I know the honourable members will want to hear about the good work that has been going on in the community of Minaki. I will pause for comments.

Mr. Kerrio: I didn't think you would put that on the table.

Hon. Mr. Bernier: There!

Mr. Kerrio: That is a disaster area.

Hon. Mr. Bernier: We all want to hear about it.

Mr. Kerrio: It will take 200 years to get your money back, if you are lucky.

Hon. Mr. Bernier: My friend will be the first one there.

Mr. Kerrio: Oh, I might visit.

Hon. Mr. Bernier: He will enjoy it. He will love it.

I want to give the members a report on the significant process being made with regard to Minaki Lodge. They may recall that a year ago the government announced that we had been successful in entering into a management agreement with Radisson Hotels in Minneapolis to operate the completed facility under a standard hotel management agreement. We had hoped to attract a Canadian firm but, unfortunately, this was not realized, even after some extensive examination of studies, I must admit.

Following the agreement with Radisson, we entered into a second agreement with Contract Services Associates, also of Minneapolis and a sister organization of Radisson, to design and oversee the construction of this new facility.

I might say that we did this purposely, because cabinet did direct that we should not move with any expansion or development of Minaki Lodge until we had the management team in place and only then, with their advice, should we move forward, because obviously if the facility were not developed to their liking and approval, it could cause problems down the road. So it was obvious that was the place to go.

I can honestly say that Minaki Lodge is receiving support right across northern Ontario. It is gaining momentum. People are jumping on the bandwagon now, because they see it as a real destination centre, not only for conventions but also for tourists who will be criss-crossing Canada.

I wish to point out that Canadian architects were hired in support of Contract Services Associates, and it was agreed that as many jobs as possible would be created in Ontario and materials, furniture and fixtures would have a made in Canada label if at all possible. Any exemptions from the policy would have to be approved by the Minaki board.

12:50 p.m.

The results of these policies have been very encouraging indeed. There are currently more than 65 construction workers from Thunder Bay, Kenora and Minaki working at the site, and there will be more than 200 jobs created once the hotel is in operation. I might add that Radisson has recently hired Mr. Richard Bonstead of Winnipeg, who is a Canadian, to manage the lodge.

All the major contracts, with the exception of landscaping, have been awarded; and these, I am pleased to report to the House, have gone to northern Ontario firms, with the exception of a small contract for the relocation of staff buildings which was awarded to a Manitoba firm, which I believe is from Steinbach. Many of the subcontractors are from the immediate Kenora and Minaki area.

Minaki Lodge is a joint project of the ministries of Northern Affairs and Industry and Tourism. Capital funding is being provided by the Ministry of Northern Affairs. The responsibility for project management rests with the board of directors of the Minaki companies.

The board is composed of Bill Charlton, the Assistant Deputy Minister of Northern Affairs in Kenora, who is the chairman of the board; John Lashinger of Industry and Tourism, who is the vice-chairman; Tom Girven of Industry and Tourism; Don Cameron of the Kenora office of the Ministry of Northern Affairs; Arn Bronskill of Industry and Tourism; and Fred Boyer of Industry and Tourism, who is the chief executive officer.

I realize there may still be a few sceptics left, but I believe that as progress takes place on this project, which is most important to northwestern Ontario, we are making believers out of more and more people every day. There is no question about it.

I have to say with a bit of pride that the last two articles in the Toronto press were of a more positive nature than they have ever been before. People are beginning to realize that we are developing a real jewel in the north. As far as I am concerned, it will exceed Montebello in Quebec and will even match Jasper Park in Alberta. The location is perfect, too.

I see Minaki complementing the present lodge industry in northwestern Ontario. We will be attracting corporate business, catering to sales meetings and management training sessions. Our market studies have indicated a significant potential in this area.

I understand the Gull Harbour resort in northern Manitoba is now operating in the black under the present government. As the member for Lake Nipigon will know, this was established by the former administration in Manitoba at Gull Harbour on Lake Winnipeg. That particular facility, while it is much smaller than Minaki, is in the black this year and has finally been accepted by the people in that area. I am sure many of these customers will return to the northwest with their families and friends to spend vacations at other resorts in the area.

Mr. Stokes: I am glad to hear you say that government does it better.

Hon. Mr. Bernier: Once in a while; not all the time.

Mr. Stokes: So much for free enterprise. We always knew the free enterprise system wasn't working.

Hon. Mr. Bernier: This particular facility will be run by the private sector. I think it is sometimes incumbent upon the government to put up seed money. I look at northern operations—and I will get to that—and certain other things that can happen in northern Ontario with a little persuasion through some financial support.

Mr. Stokes: You are saying you believe in a mixed economy.

Hon. Mr. Bernier: That is right.

Our present plan calls for opening the 120-room facility during the summer of 1982. The schedule is very tight, however, and any unforeseen delays could force us into postponing the opening day until May 1983. The lodge has been empty since 1975, and we have no desire to delay the opening any longer than is absolutely necessary.

However, and I say this sincerely, I am insisting that the facility be completed in all aspects before we open the doors for business. There are many people who are anxious to visit the lodge as soon as it opens. Many of these people have spent vacations at Minaki in the past and want to return. I assure them they will not be disappointed.

The Minaki board will be reviewing the construction program early in January 1982. A final decision regarding opening dates will be

made at that time. In the meantime, Radisson will be opening a sales office in Toronto next week and another office in Winnipeg.

In other economic development projects in the tourist area, we assisted the Ministry of Industry and Tourism with plans to open up a brand-new regional tourist centre in Fort Frances. We also provided funding to the Ministry of Natural Resources for improvements to two of the north's most famous tourist attractions, Kakabeka Falls and Ouimet Canyon.

I am sure the member for Lake Nipigon will appreciate the money we are putting into those particular projects. I do not know if he has been there recently, but I would encourage him to go to Kakabeka Falls and see the work that is being done at Ouimet Canyon. It really is exciting; you can actually walk down the walkways at Kakabeka Falls and be sprayed with all that beautiful fresh water that is going over the falls, get some great pictures and really see the beauty of Kakabeka Falls. It just amazes me that those attractions have been there for so many years and we have not taken advantage of showing them off as much as we could have.

Mr. Stokes: It has been a provincial park for years.

Hon. Mr. Bernier: I know. But you have not been able to get down and have a good view of the falls itself and share the excitement of a giant waterfall.

Northern Affairs funding allowed for the improvement of viewing and service area facilities in those two important spots in northwestern Ontario.

Mr. Stokes: All you have to do is improve the road to it.

Hon. Mr. Bernier: Yes, we are doing that too to Ouimet Canyon. That will be the next step.

Mr. Chairman, the entrepreneurial spirit in northern Ontario is strong, and it has always been the policy of my ministry and that of this government to encourage that spirit through the type of forgivable performance demand loans that require a commitment on the part of the government and the investor.

Last March, I met with some of our federal friends in Ottawa to sign an \$18.5-million northern Ontario rural development agreement that provides for incentive funding for small-scale, worthwhile projects in the areas of agriculture, farming, natural resources, business and industry.

Response has been very high to the NORDA program. Our Sault Ste. Marie office was receiving more than 50 letters a day last month. The federal-provincial management committee is busy now reviewing proposals, and many already have been recommended for funding. Provincial funding for NORDA is provided by the Ministry of Northern Affairs and the Ministry of Agriculture and Food.

Economic development in northern Ontario relies greatly on the development of efficient transportation systems. We help to provide these through our northern transportation program. This program comprises the activities of northern roads, air services, and the rail and ferry services of the Ontario Northland Transportation Commission, which reports through this ministry.

The northern roads budget of the ministry takes a large chunk of our projected \$156-million budget this year. The harsher weather and the rugged terrain of northern Ontario cause severe wear on our northern roads system. These roads are a vital economic link in an area the size of our north and have considerable significance for our tourist industry as well.

Our objective in the northern roads program is to recondition at least seven per cent of the 10,000-kilometre system annually, construct new links and improve the system's capacity wherever needed by widening, adding passing lanes and constructing municipal bypasses and new roads. Last year, 17 of the contracts awarded for highway construction in northern Ontario used recycled asphalt, worth a saving of \$3.4 million.

I should mention too that, while we fund and set priorities for the program, the actual engineering and construction is done by the Ministry of Transportation and Communications.

This fiscal year, we have seen work begun on the Kenora bypass—a timely project, as those members who have driven through the area well know—and we will continue work on the truck climbing passing lanes and paved shoulders that are such a necessary part of northern driving. This will include continued four-laning of Highway 11 south of North Bay.

Mr. Chairman, I see it is just about one o'clock.

On motion by Hon. Mr. Bernier, the committee of the whole House reported progress.

The House adjourned at 1:01 p.m.

APPENDIX A

ANSWERS TO QUESTIONS ON NOTICE PAPER

REGISTERED NURSING ASSISTANTS

141. Mr. Van Horne: Would the Minister of Health indicate whether or not registered nursing assistants are going to be classified as "medical" or "professional" as opposed to their present "nonmedical" or "nonprofessional" status? If the present classification does not change, would the minister give the rationale for not asking the agency under his jurisdiction to change this classification? (Tabled June 26, 1981.)

Hon. Mr. Timbrell: The Ministry of Health recognizes the important contribution of registered nursing assistants in the provision of patient care and support as is evidenced by the standards set for the occupation under the Health Disciplines Act.

The facts that RNAs are included in the bargaining units with other support staff, including nonmedical employees such as housekeeping and food service personnel, does not detract from their role or status in the treatment of patients. These bargaining units were established in accordance with the certification procedures under the Ontario Labour Relations

Act and applicable to the Hospital Labour Disputes Arbitration Act.

The term "nonmedical," as used in the press, is an unofficial characterization of the bargaining unit as a whole and not an official designation or classification used by employers.

ASSISTED HOUSING

174. Mr. R. F. Johnston: How many households and how many persons were on waiting lists for assisted housing, by local housing authority, for the latest period for which comprehensive figures were available? How do these totals compare to those for the same period one year ago? (Tabled October 23, 1981.)

See sessional paper 258.

INTERIM ANSWERS

169. Mr. R. F. Johnston: Hon. Mr. Drea—The scope of the question is such that additional time will be required to research a thorough reply. A final answer is expected on or about November 20, 1981.

173. Mr. Breithaupt: Hon. Mr. McCague—The Civil Service Commission is in the process of gathering the data required to respond to your question of October 21, and I will provide the requested information to you by November 16, 1981, approximately.

APPENDIX B*

ALPHABETICAL LIST OF MEMBERS

(125 members)

First Session of the Thirty-Second Parliament

Lieutenant Governor: Hon. John B. Aird, OC, QC

Speaker: Hon. John M. Turner

Clerk of the House: Roderick Lewis, QC

Andrewes, P. W. (Lincoln PC)
Ashe, Hon. G. L.; Minister of Revenue (Durham West PC)
Baetz, Hon. R. C.; Minister of Culture and Recreation (Ottawa West PC)
 Barlow, W. W. (Cambridge PC)
Bennett, Hon. C. F.; Minister of Municipal Affairs and Housing (Ottawa South PC)
Bernier, Hon. L.; Minister of Northern Affairs (Kenora PC)
Birch, Hon. M.; Provincial Secretary for Social Development (Scarborough East PC)
 Boudria, D. (Prescott-Russell L)

Bradley, J. J. (St. Catharines L)
 Brandt, A. S. (Sarnia PC)
 Breaugh, M. J. (Oshawa NDP)
 Breithaupt, J. R. (Kitchener L)
 Bryden, M. H. (Beaches-Woodbine NDP)
 Cassidy, M. (Ottawa Centre NDP)
 Charlton, B. A. (Hamilton Mountain NDP)
 Conway, S. G. (Renfrew North L)
 Cooke, D. S. (Windsor-Riverside NDP)
 Copps, S. M. (Hamilton Centre L)
 Cousens, D.;

Deputy Chairman of Committees
of the Whole House (York Centre PC)

Cunningham, E. G. (Wentworth North L)

Cureatz, S. L.; Deputy Speaker and Chairman of Committees of the Whole House (Durham East PC)

Davis, Hon. W. G.; Premier (Brampton PC)

Dean, G. H. (Wentworth PC)

Di Santo, O. (Downsview NDP)

Drea, Hon. F.; Minister of Community and Social Services (Scarborough Centre PC)

Eakins, J. F. (Victoria-Haliburton L)

Eaton, R. G. (Middlesex PC)

Edighoffer, H. A. (Perth L)

Elgie, Hon. R. G.; Minister of Labour (York East PC)

Elston, M. J. (Huron-Bruce L)

Epp, H. A. (Waterloo North L)

Eves, E. L. (Parry Sound PC)

Fish, S. A. (St. George PC)

Foulds, J. F. (Port Arthur NDP)

Gillies, P. A. (Brantford PC)

Gordon, J. K. (Sudbury PC)

Grande, T. (Oakwood NDP)

Gregory, Hon. M. E. C.; Minister without Portfolio (Mississauga East PC)

Grossman, Hon. L. S.; Minister of Industry and Tourism (St. Andrew-St. Patrick PC)

Haggerty, R. (Erie L)

Harris, M. D. (Nipissing PC)

Havrot, E. M. (Timiskaming PC)

Henderson, Hon. L. C.; Minister of Agriculture and Food (Lambton PC)

Hennessy, M. (Fort William PC)

Hodgson, W. (York North PC)

Johnson, J. M. (Wellington-Dufferin-Peel PC)

Johnston, R. F. (Scarborough West NDP)

Jones, T. (Mississauga North PC)

Kells, M. C. (Humber PC)

Kennedy, R. D. (Mississauga South PC)

Kerr, G. A. (Burlington South PC)

Kerrio, V. G. (Niagara Falls L)

Kolyn, A. (Lakeshore PC)

Lane, J. G. (Algoma-Manitoulin PC)

Laughren, F. (Nickel Belt NDP)

Leluk, Hon. N. G.; Minister of Correctional Services (York West PC)

Lupusella, A. (Dovercourt NDP)

MacDonald, D. C. (York South NDP)

Mackenzie, R. W. (Hamilton East NDP)

MacQuarrie, R. W. (Carleton East PC)

Mancini, R. (Essex South L)

Martel, E. W. (Sudbury East NDP)

McCaffrey, Hon. R. B.; Minister without Portfolio (Armourdale PC)

McCague, Hon. G. R.; Chairman, Management Board of Cabinet (Dufferin-Simcoe PC)

McClellan, R. A. (Bellwoods NDP)

McEwen, J. E. (Frontenac-Addington L)

McGuigan, J. F. (Kent-Elgin L)

McKessock, R. (Grey L)

McLean, A. K. (Simcoe East PC)

McMurtry, Hon. R. R.; Attorney General and Solicitor General (Eglinton PC)

McNeil, R. K. (Elgin PC)

Miller, Hon. F. S.; Treasurer of Ontario and Minister of Economics (Muskoka PC)

Miller, G. I. (Haldimand-Norfolk L)

Mitchell, R. C. (Carleton PC)

Newman, B. (Windsor-Walkerville L)

Nixon, R. F. (Brant-Oxford-Norfolk L)

Norton, Hon. K. C.; Minister of the Environment (Kingston and the Islands PC)

O'Neil, H. P. (Quinte L)

Peterson, D. R. (London Centre L)

Philip, E. T. (Etobicoke NDP)

Piché, R. L. (Cochrane North PC)

Pollock, J. (Hastings-Peterborough PC)

Pope, Hon. A. W.; Minister of Natural Resources (Cochrane South PC)

Ramsay, Hon. R. H.; Provincial Secretary for Resources Development (Sault Ste. Marie PC)

Reed, J. A. (Halton-Burlington L)

Reid, T. P. (Rainy River L-Lab.)

Renwick, J. A. (Riverdale NDP)

Riddell, J. K. (Huron-Middlesex L)

Robinson, A. M. (Scarborough-Ellesmere PC)

Rotenberg, D. (Wilson Heights PC)

Roy, A. J. (Ottawa East L)

Runciman, R. W. (Leeds PC)

Ruprecht, T. (Parkdale L)

Ruston, R. F. (Essex North L)

Samis, G. R. (Cornwall NDP)

Sargent, E. C. (Grey-Bruce L)

Scrivener, M. (St. David PC)

Sheppard, H. N. (Northumberland PC)

Shymko, Y. R. (High Park-Swansea PC)

Smith, S. L. (Hamilton West L)

Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)

Spensieri, M. A. (Yorkview L)

Stephenson, Hon. B. M.; Minister of Education and Minister of Colleges and Universities (York Mills PC)

Sterling, Hon. N. W.; Minister without Portfolio (Carleton-Grenville PC)

Stevenson, K. R. (Durham-York PC)

Stokes, J. E. (Lake Nipigon NDP)

Swart, M. L. (Welland-Thorold NDP)

Sweeney, J. (Kitchener-Wilmot L)

Taylor, G. W. (Simcoe Centre PC)
 Taylor, J. A. (Prince Edward-Lennox PC)
Timbrell, Hon. D. R.; Minister of Health (Don Mills PC)
 Treleaven, R. L. (Oxford PC)
Turner, Hon. J. M.; Speaker (Peterborough PC)
 Van Horne, R. G. (London North L)
 Villeneuve, O. F. (Stormont, Dundas and Glengarry PC)
Walker, Hon. G. W.; Provincial Secretary for Justice and Minister of Consumer and Commercial Relations (London South PC)
 Watson, A. N. (Chatham-Kent PC)
Welch, Hon. R. S.; Minister of Energy (Brock PC)
Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)
 Wildman, B. (Algoma NDP)
 Williams, J. R. (Oriole PC)
Wiseman, Hon. D. J.; Minister of Government Services (Lanark PC)
 Worton, H. (Wellington South L)
 Wrye, W. M. (Windsor-Sandwich L)
 Yakabuski, P. J. (Renfrew South PC)

MEMBERS OF THE EXECUTIVE COUNCIL

Davis, Hon. W. G., Premier and President of the Council
 Welch, Hon. R. S., Minister of Energy and Deputy Premier
 Wells, Hon. T. L., Minister of Intergovernmental Affairs
 Bernier, Hon. L., Minister of Northern Affairs
 Snow, Hon. J. W., Minister of Transportation and Communications
 Birch, Hon. M., Provincial Secretary for Social Development
 Bennett, Hon. C. F., Minister of Housing
 Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics
 Timbrell, Hon. D. R., Minister of Health
 Stephenson, Hon. B. M., Minister of Education and Minister of Colleges and Universities
 McMurtry, Hon. R. R., Attorney General and Solicitor General
 Henderson, Hon. L. C., Minister of Agriculture and Food
 Norton, Hon. K. C., Minister of the Environment
 Drea, Hon. F., Minister of Community and Social Services
 Grossman, Hon. L., Minister of Industry and Tourism
 McCague, Hon. G., Chairman of Management

Board of Cabinet and Chairman of Cabinet
 Baetz, Hon. R. C., Minister of Culture and Recreation
 Wiseman, Hon. D. J., Minister of Government Services
 Elgie, Hon. R. G., Minister of Labour
 Walker, Hon. G. W., Provincial Secretary for Justice and Minister of Consumer and Commercial Relations
 Gregory, Hon. M. E. C., Minister without Portfolio
 Pope, Hon. A. W., Minister of Natural Resources
 Leluk, Hon. N. G., Minister of Correctional Services
 Ashe, Hon. G. L., Minister of Revenue
 Ramsay, Hon. R. H., Provincial Secretary for Resources Development
 McCaffrey, Hon. R. B., Minister without Portfolio
 Sterling, Hon. N. W., Minister without Portfolio

PARLIAMENTARY ASSISTANTS

Andrewes, P. W. (Lincoln), assistant to the Minister of Energy
 Brandt, A. S. (Sarnia), assistant to the Minister of Labour
 Dean, G. H. (Wentworth), assistant to the Minister of Education
 Eaton, R. G. (Middlesex), assistant to the Minister of Transportation and Communications
 Fish, S. A. (St. George), assistant to the Minister of Culture and Recreation
 Gillies, P. A. (Brantford), assistant to the Provincial Secretary for Social Development
 Gordon, J. K. (Sudbury), assistant to the Minister of Health
 Hennessy, M. (Fort William), assistant to the Minister of Northern Affairs
 Hodgson, W. (York North), assistant to the Minister of Government Services
 Jones, T. (Mississauga North), assistant to the Treasurer of Ontario and Minister of Economics
 Kennedy, R. D. (Mississauga South), assistant to the Minister of Intergovernmental Affairs
 Lane, J. G. (Algoma-Manitoulin), assistant to the Minister of Industry and Tourism
 MacQuarrie, R. W. (Carleton East), assistant to the Solicitor General
 McNeil, R. K. (Elgin), assistant to the Minister of Agriculture and Food
 Mitchell, R. C. (Carleton), assistant to the

Minister of Consumer and Commercial Relations
 Rotenberg, D. (Wilson Heights), assistant to the Minister of Housing
 Stevenson, K. R. (Durham-York), assistant to the Minister of the Environment
 Taylor, G. W. (Simcoe Centre), assistant to the Attorney General
 Watson, A. N. (Chatham-Kent), assistant to the Minister of Community and Social Services
 Williams, J. (Oriole), assistant to the Minister of Revenue
 Yakabuski, P. J. (Renfrew South), assistant to the Minister of Natural Resources

STANDING COMMITTEES

Administration of justice: Chairman, Mr. Treleaven; members, Messrs. Andrewes, Bradley, Breithaupt, Elston, Gordon, MacQuarrie, Mitchell, Piché, Renwick, Swart and Williams; clerk, S. Forsyth.

General government: Chairman, Mr. Barlow; members, Mr. Brandt, Ms. Bryden, Ms. Copps, Messrs. Eves, Hennessy, Kells, McGuigan, McKessock, Runciman, Sheppard and Wildman; clerk, F. Nokes.

Members' services: Chairman, Mr. Robinson; members, Messrs. Boudria, Di Santo, Hodgson, Kerr, McLean, O'Neil, Rotenberg, Ruston, Samis, G. W. Taylor and Watson; clerk, A. Richardson.

Resources development: Chairman, Mr. Harris; members, Ms. Copps, Messrs. Eakins, Eaton, Havrot, J. M. Johnson, Lane, Laughren, McNeil, Riddell, Stevenson and Stokes; clerk, A. Richardson.

Social development: Chairman, Mr. Shymko; members, Mr. Dean, Ms. Fish, Messrs. Gillies, R. F. Johnston, Jones, Kennedy, Kolyn, McClel-

lan, Ruprecht, Sweeney and Van Horne; clerk, D. Arnott.

Procedural affairs: Chairman, Mr. Kerr; members, Messrs. Breaugh, Charlton, Edighoffer, Epp, Hodgson, Mancini, McLean, Robinson, Rotenberg, G. W. Taylor and Watson; clerk, S. Forsyth.

Public accounts: Chairman, Mr. T. P. Reid; members, Messrs. Cousens, Cunningham, Foulds, Peterson, Philip, Pollock, Sargent, Mrs. Scrivener, Messrs. J. A. Taylor, Villeneuve and Yakabuski; clerk, G. White.

Regulations and other statutory instruments: Chairman, Mr. Eves; members, Messrs. Barlow, Brandt, Grande, Haggerty, Hennessy, Kells, MacDonald, McEwen, G. I. Miller, Runciman and Sheppard; clerk, D. Arnott.

SELECT COMMITTEES

Company law: Chairman, Mr. Breithaupt; members, Messrs. Cunningham, Di Santo, Hennessy, Kolyn, Mitchell, Pollock, T. P. Reid, Renwick, Sheppard, G. W. Taylor and Van Horne; clerk, F. Nokes.

Ombudsman: Chairman, Mr. Runciman; members, Messrs. Andrewes, Barlow, Boudria, Cooke, Dean, Eves, Kells, G. I. Miller, Philip, Shymko and Van Horne; clerk, G. White.

Pensions: Chairman, Mr. J. A. Taylor; members: Messrs. Brandt, Cousens, Cureatz, Epp, Gillies, Jones, Mackenzie, McClellan, Peterson, Riddell and Williams; clerk, G. White.

*The lists in this appendix, brought up to date as necessary, are published in Hansard on the first Friday of each month and in the first and last issues of each session.

CONTENTS

Friday, November 6, 1981

Statements by the ministry

Davis, Hon. W. G., Premier:

Constitutional agreement. 3262

Snow, Hon. J. W., Minister of Transportation and Communications:

Railway service. 3255

Oral questions

Bennett, Hon. C. F., Minister of Municipal Affairs and Housing:

Rental construction loan program, Mr. R. F. Johnston, Mr. G. I. Miller,
Mr. Mackenzie. 3258

Davis, Hon. W. G., Premier:

Royal Commission on the Northern Environment, Mr. MacDonald, Mr. Stokes 3270

Spadina Expressway; Highway 400 extension, Mr. Ruprecht. 3271

Elgie, Hon. R. G., Minister of Labour:

Skills training, Mr. R. F. Johnston. 3260

McMurtry, Hon. R. R., Attorney General and Solicitor General:

Agricultural vehicle safety, Mr. Ruston. 3261

Allegations of police brutality, Mr. Smith. 3261

Snow, Hon. J. W., Minister of Transportation and Communications:

Spadina Expressway, Mr. Ruprecht, Mr. Di Santo. 3271

Stephenson, Hon. B. M., Minister of Education and Minister of Colleges and Universities:

Council of Regents, Mr. Grande. 3271

Walker, Hon. G. W., Minister of Consumer and Commercial Relations and Provincial
Secretary for Justice:

Gasoline credit card charge, Mr. Bradley. 3272

Conflict of interest legislation, Mr. Philip, Mr. Smith. 3273

Welch, Hon. R. S., Minister of Energy:

Allegations of police brutality, Mr. Smith. 3255

Aid to automobile industry, Mr. Smith, Mr. Mackenzie, Mr. Kerrio. 3256

Auto pact, Mr. Kerrio. 3275

First reading

Emmanuel Bible College Act, Bill Pr38, Mr. Sweeney, agreed to. 3277

Committee of supply

Estimates, Ministry of Northern Affairs, adjourned. 3277

Other business

Speaker's role, Mr. MacDonald, Mr. Wells, Mr. Foulds. 3275

Election spending, Mr. Rotenberg. 3277

Adjournment. 3285

Appendix A

Answers to questions on Notice Paper

Timbrell, Hon. D. R., Minister of Health:

Registered nursing assistants, question 141, Mr. Van Horne. 3286

Bennett, Hon. C. F., Minister of Municipal Affairs and Housing:

Assisted housing, question 174, Mr. R. F. Johnston. 3286

Interim answers, questions 169 and 173. 3286

Appendix B

Alphabetical list of members of the Legislature of Ontario, members of the executive council, parliamentary assistants and members of committees. 3286

SPEAKERS IN THIS ISSUE

Ashe, Hon. G. L.; Minister of Revenue (Durham West PC)
 Bennett, Hon. C. F.; Minister of Municipal Affairs and Housing (Ottawa South PC)
 Bernier, Hon. L.; Minister of Northern Affairs (Kenora PC)
 Bradley, J. J. (St. Catharines L)
 Cureatz, S. L.; Chairman (Durham East PC)
 Davis, Hon. W. G.; Premier (Brampton PC)
 Di Santo, O. (Downsview NDP)
 Elgie, Hon. R. G.; Minister of Labour (York East PC)
 Foulds, J. F. (Port Arthur NDP)
 Grande, T. (Oakwood NDP)
 Johnston, R. F. (Scarborough West NDP)
 Kerrio, V. G. (Niagara Falls L)
 MacDonald, D. C. (York South NDP)
 Mackenzie, R. W. (Hamilton East NDP)
 McClellan, R. A. (Bellwoods NDP)
 McMurtry, Hon. R. R.; Attorney General and Solicitor General (Eglinton PC)
 Miller, G. I. (Haldimand-Norfolk L)
 Philip, E. T. (Etobicoke NDP)
 Rotenberg, D. (Wilson Heights PC)
 Ruprecht, T. (Parkdale L)
 Ruston, R. F. (Essex North L)
 Smith, S. L. (Hamilton West L)
 Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
 Stephenson, Hon. B. M.; Minister of Education and Minister of Colleges and Universities (York Mills PC)
 Stokes, J. E. (Lake Nipigon NDP)
 Turner, Hon. J. M.; Speaker (Peterborough PC)
 Walker, Hon. G. W.; Minister of Consumer and Commercial Relations and Provincial Secretary for Justice (London South PC)
 Welch, Hon. R. S.; Minister of Energy (Brock PC)
 Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)



Ontario, LEGISLATIVE ASSEMBLY

No. 92

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Monday, November 9, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Monday, November 9, 1981

The House met at 2 p.m.

Prayers.

AVAILABILITY OF REPORTS

Mr. Wrye: Mr. Speaker, on a point of privilege: I recently received this very important study funded by the Ministry of Colleges and Universities, entitled Program Availability and Student Needs in Part-Time Studies at Ontario Universities. This copy was not sent to me or to my party by the ministry; rather it was sent by the Canadian Organization of Part-Time University Students.

In a letter to the Minister of Colleges and Universities (Miss Stephenson), the provincial co-ordinator of that organization says, and I quote briefly: "It has come to our attention that the Liberal and NDP education critics have not been as fortunate as our members—not as fortunate in that the members received this study. In light of the importance of and to part-time studies and the students that undertake such studies this report illustrates benefits might be gained should all those individuals with concerns for part-time post-secondary education be as informed as possible. Any action taken by the ministry to rectify this situation would be appreciated."

I bring this matter to the attention of the House in the hope that that cabinet ministers can be encouraged to give opposition members at least a reasonable amount of information. I hope the minister's actions, or lack of them, in not sending us this report are not part of the government's new Suncor syndrome of providing as little relevant information to the opposition as possible.

ORAL QUESTIONS

LIQUID WASTE DISPOSAL

Mr. Smith: Mr. Speaker, a question of the ministry—the first question is what ministry? There are six people here—seven, eight, nine—they are coming in by the moment. We start at two o'clock as it happens. It may be news to the members opposite, I recognize.

Interjections.

Mr. Smith: I came in right after prayers. I

prayed outside. I have more to pray about than those guys. I have to think of the future.

Mr. Speaker: Order.

Mr. Smith: I will direct a question to the Ministry of the Environment for little reason other than the fact that he is one of the few people here.

The minister will undoubtedly recall that when we discussed the Ridge landfill court decision other landfill sites were then accepting liquid industrial wastes. The minister stated outside the Legislature that he was not surprised when we named the Tricil site and the city of Guelph site as places that are not properly licensed, according to the import of the Ridge landfill decision, to receive liquid industrial waste. This was because they have never had hearings pertinent to their suitability for receiving liquid industrial waste.

Now that the minister has had two weeks or more to go over his certificates of approval and his waybill information and so on, would he care to name any other sites he believes are in the same legal position as Tricil and the city of Guelph site? In other words, would he list places that have been receiving liquid industrial waste but have not held the proper hearings to permit them to receive such wastes, according to their original certificates of approval and certificates issued since?

Hon. Mr. Norton: Mr. Speaker, I think in essence what the Leader of the Opposition has said is correct, although those were not the words I used. I did indicate, as I indicated in the House, that the decision on the Ridge court case did possibly cast a shadow on some of the other certificates and I had suggested there may be more than a couple.

It is difficult to put them all into one category, because the history of each of the certificates is different. In some instances when the original certificates were issued they were nonspecific, as I believe was the case at Ridge. I believe that was a common practice at the time of the issuance of some of the original certificates. It is part of the history that we are living with and now trying to correct. The alterations in the certificates were not to add things to the sites but rather to recognize what had been practised

there for years before; in fact, even the certification, perhaps, was not necessary.

I cannot at this point state precisely which sites the member may be referring to, although I agree that there are other sites where there may—

Mr. Smith: Name them. Why will you not name them?

Hon. Mr. Norton: Because there are differing legal opinions on which ones are affected by that decision. I can assure the member we are watching it very carefully. As he may be aware, there has been an application for leave to appeal the Ridge decision, which comes before the court of appeal on the sixteenth, if I am not mistaken.

I certainly have a very keen interest in whether or not that decision will be appealed because, obviously, if it stands I may well have to take some specific actions. I am looking at those alternatives at the present time in anticipation of any possible outcome of that hearing.

Mr. Smith: By way of supplementary, Mr. Speaker: The decision in the Ridge case was crystal clear. Tricil and the city of Guelph plainly suffer from exactly the same impediment the court found stood in the way of Ridge—namely, there had been no public hearings. Although the original certificate of approval did not permit them to take liquid industrial waste—a well-known category, by the way, when those certificates were drawn up—they subsequently did receive liquid industrial waste. It is perfectly obvious they are doing so without complying with the law. Why would the minister not name the other site? Perhaps he does not know of it.

Would the minister therefore care to take a moment to look at his records and check on the township of Mariposa, where 132,000 gallons of liquid waste were dumped, according to their own waybill records, between August 1980 and July 1981? They actually accepted liquid waste from 1979 to 1980, but the ministry did not give us that data, and they claim it was “a mere oversight.” But between 1980 and 1981 132,000 gallons of liquid waste went into a highly sensitive area, the Mariposa Brook wetland tract. Since, according to the Ridge decision, this dumping would also be illegal, will the minister inform us when such dumping will cease?

2:10 p.m.

Hon. Mr. Norton: I can only reiterate what I said before. The assumptions the Leader of the Opposition is making are not necessarily the

same as the assumptions made by all the lawyers who have had a look at that situation. I agree there are sites where a shadow has been cast by that decision. I do not agree—and this is a result of careful examination by our staff—that they are all exactly the same. The history of those sites is quite different and I think the decision at Ridge was quite specific in terms of it being directed towards that site.

Mr. Smith: Read it.

Hon. Mr. Norton: I have. I have it in my briefcase. I can assure the member it is a situation we are reviewing carefully. I think the decision as to whether there is leave to appeal the Ridge decision may be an important point in determining whether other action has to be taken. However, I do not think it would be appropriate for me to make a decision on that at this time. If the decision of the lower court is going to be reviewed by the Court of Appeal, obviously the Court of Appeal may vary that decision. It may go further than the lower court and that may be instrumental in determining the course of action open to me.

Mr. Worton: A supplementary question, Mr. Speaker: I think the minister has used an appropriate term when he said “a shadow has been cast.” The landfill site in Guelph was heard before the Ontario Municipal Board in 1971. Today there would be environmental assessment hearings. I have visited the landfill site. In my discussions with city officials, they are still of the opinion they are living within what is required by the law in regard to that site. To clear the air perhaps ministry officials from the Cambridge area should check to make sure everything is being done according to law. I think they are anxious to do that and I would also be anxious to see that is done.

Hon. Mr. Norton: Mr. Speaker, subject to any decision to the contrary by the court on that specific site, I believe what the staff in Guelph have said is probably quite correct. I am not personally familiar with the operation but I am advised by staff who are that it is a well-run site. They are not accepting any toxic substances that might give rise to concern on the part of the people of the community. With respect to legality, at this time there is nothing to indicate anything other than a legal operation is under way there.

CONFIDENTIALITY OF MEDICAL INFORMATION

Mr. Smith: Mr. Speaker, I have a question for the government House leader. Does the gov-

ernment have any plans to bring in legislation in the near future to deal with the matters brought up by Mr. Justice Krever on the subject of the confidentiality of medical records? Would the House leader tell us in particular what view the government takes of the recent Supreme Court decision? I suspect he might be tangentially familiar with it, if not totally immersed in it.

As the House leader may recall, that decision gave to those doctors who revealed medical information to the police, where the patients may have thought the matter was confidential, the protection of being privileged police informers so the patients have no way of knowing who released that information. The patients are therefore at a disadvantage if they wish to have any recourse.

Given the recommendations of Mr. Justice Krever and the recent Supreme Court decision, will the government proceed with some legislation at least to make certain that when doctors receive information from patients it will be kept confidential unless there is a gross overriding danger to society obliging the doctors to divulge it?

Hon. Mr. Wells: Mr. Speaker, this is obviously a very important matter and one which the ministers responsible and the government are reviewing and taking very seriously. I must ask the member, however, to refer this question to the Minister of Health (Mr. Timbrell) who I regret will not be here today. I understand he and his wife have a brand new daughter, which I think is number six for his family. It—

Interjections.

Hon. Mr. Wells: Those of us who have gone through the birth of a first child know it is a very momentous experience. The Minister of Education (Miss Stephenson), the government, and all the members of this House are pleased another child is being added to the population of Ontario because we need many more.

Mr. Breithaupt: Most of your members have given up.

Hon. Mr. Davis: Some of us have given up.

Hon. Mr. Wells: The member for Rainy River (Mr. T. P. Reid) has his chance to continue adding to that.

I am sure the Minister of Health will be making a statement on this important matter, and will answer these questions as soon as he returns.

Mr. Smith: Mr. Speaker, while waiting for our friend to return from his paternity leave, I would

say how pleased we were with the moments taken by the House leader to comment on this. As my friend and colleague the member for Brant-Oxford-Norfolk (Mr. Nixon) has said, "Finally, the government has now come out for motherhood," along with most other issues. I would have thought he might have got in a few words about the Queen while he was at it. He probably will in replying to the supplementary.

While I recognize this is primarily a matter for the Minister of Health, would the House leader in his capacity of ordering the business of the House undertake to bring near to the top of the agenda at least a partial implementation of Justice Krever's recommendations? We may have to study them all at some length. Surely patients in this province should not be afraid to talk to their doctors for fear this information will go straight to the police.

One of Judge Krever's recommendations was to make it very plain such information is to be kept confidential and under protection of law. He suggested the only circumstances in which it might be given out to organizations like the police is where there is a clear and significant danger to the public in withholding such information. Should implementing this not be one of the government's top priorities? Would the minister do his best to move quickly on this important matter?

Hon. Mr. Wells: Mr. Speaker, I will pass that on to the minister. I hope he will be here tomorrow.

Mr. Breaugh: Supplementary, Mr. Speaker: This matter has been released, at least in report form, for the better part of a year. Will the minister table with the House, so that we may understand where the government is going in this matter, documents from the Solicitor General (Mr. McMurtry) and the Ministry of Health or any other ministries which may be involved in the collection of this information? What is the position of the Solicitor General, and what is the position of the Minister of Health, both of whom have agents of their own who will be either gathering or dispensing information related to this question?

Hon. Mr. Wells: Mr. Speaker, I will pass that on to the minister. I am sure he will want to answer that question.

TRANSPORTATION OF NUCLEAR MATERIAL

Mr. Foulds: Mr. Speaker, in the absence of the Solicitor General, I have a question for the

Minister of Transportation and Communications (Mr. Snow).

Mr. Rotenberg: Foulds for leader.

Mr. Watson: In the absence of your leader.

Mr. Foulds: Do the members want to heckle now or later?

Is the Minister of Transportation and Communications aware—

Interjection.

Mr. Foulds: Is the member running for Speaker?

Is the minister aware a tractor-trailor carrying a load of furs, spray paints, auto parts, and two radioactive containers crashed and burned near Kenora, Ontario, at the corner of Shoal Lake and Highway 17, on October 24, at 11 a.m.? Is he further aware the radioactive material was not identified on the truck; that the Ontario Provincial Police were not notified there was radioactive material on board until the following Monday morning, and that it took until 5:07 p.m. on Monday, October 26, for Atomic Energy of Canada Limited from Pinawa to respond?

If the minister is aware, what steps is he recommending to his government to ensure that incidents like that do not happen again?

2:20 p.m.

Hon. Mr. Snow: Mr. Speaker, I have been aware that this accident took place in the Kenora area. I am aware that two canisters of radioactive material, used for the X-raying of pipelines, were being shipped to western Canada. These canisters were involved in the accident, were in the fire, but there was no radioactive leakage from them.

I had trouble following the rest of the question. First of all, without checking back to my records, I cannot say I am aware of the dates the honourable member mentioned. But I believe that is the approximate timing and date of the accident. I believe the investigation, as carried out by the OPP, and by representatives of my ministry, may very well involve laying charges, for the fact that proper documentation was not carried in the truck as to this material.

When our new legislation, both federal and provincial, is passed, relating to the carriage of hazardous goods it would require documentation and placarding of these vehicles. Still, under that legislation, the shipment and transportation in dealing with radioactive goods will

remain the responsibility of Atomic Energy of Canada Limited.

Mr. Foulds: Supplementary: Mr. Speaker, can the minister explain to me how the placarding and so on would help in a situation like this where the truck burned for 12 hours? Can he explain to me, or is he satisfied, that it took 48 hours for the authorities to find out that this truck was carrying radioactive material? If the container had leaked—and I agree from all the information that it did not—is he aware that radium 192 was extremely dangerous for a person up to 25 feet away? If you actually held the stuff it could kill you. It is that strong.

Is the minister not conscious that if this accident had occurred in a heavily built-up area, like Mississauga, he and his colleague the Solicitor General (Mr. McMurtry) would have been out there in their OPP parkas playing to the gallery? What steps is he going to take to protect the people throughout Ontario from the transportation of dangerous wastes, including radioactive material?

Hon. Mr. Snow: Mr. Speaker, I have just heard an expert playing to the gallery. I will not pretend to be an expert who plays to the gallery, but I assure him the same protection will be given to the people of Kenora as will be given to the people of Mississauga.

Mr. Riddell: Supplementary: Mr. Speaker, would the minister again refer to the report of the select committee on highway safety and implement those recommendations which were made pertaining to the transportation of dangerous materials?

Hon. Mr. Snow: Mr. Speaker, many things have happened since the report of the select committee on highway safety. First of all, the federal government has passed the Transportation of Dangerous Goods Act. Regulations under that act dealing with the transportation of dangerous goods under the different modes—whether they be rail, air, ship or truck—are in the final process of being drafted.

On the Order Paper on members' desks is the Ontario Dangerous Goods Transportation Act. This will provide for our government, mainly under my ministry, to carry out inspection and enforcement of the Transportation of Dangerous Goods Act for the trucking mode, whereas the other three modes will remain under the federal government.

I hope that bill will be coming up for second reading tomorrow afternoon.

Mr. Foulds: Is the minister not concerned that there appeared to be no response centres across the province to handle situations like this and that in a sense it was simply fortunate the accident occurred only 100 miles or so away from the Atomic Energy of Canada Limited base at Pinawa?

Is he also not concerned that Ontario Provincial Police officers, employed by his government, were on duty guarding the truck without being aware of the potential danger? Is he not concerned that if they had been made aware they probably would have responded in a different way and attempted to extinguish the fire in the truck rather than let it burn out?

Are those not legitimate concerns?

Hon. Mr. Snow: Yes, I am very concerned about not only the OPP officers but also representative staff of my ministry who were on the site for a number of hours before it was learned this commodity was on board that truck. It is my understanding there was no placarding on the vehicle; there was nothing on the bill of lading carried in the truck to show this material was on board.

I believe, if I recall the details correctly, AECL had representatives from its Winnipeg office come to the site when it was found there was radioactive material on board the vehicle. Extensive testing was done. I know the staff involved at the site were taken to the hospital for medical examination to make sure they had not received any adverse radiation.

I make no excuse for the fact the shipper and the carrier should have been aware—the carrier may or may not have been aware; I have not got a full report on whether the carrier was aware—of what was in the canisters within cartons of what I understand was a general freight type of movement. Certainly the shipper should have been responsible. He would be responsible under the new legislation, as I understand its details, for making known what was in that shipment so that the trucker could be carrying the proper information as to what to do in the case of an accident and so the vehicle could be properly placarded.

CONSTITUTIONAL PACKAGE

Mr. Foulds: Mr. Speaker, I have a question for the Premier. I would like to know what initiatives the Premier plans to take within the next few days to ensure the concerns that have arisen because of the constitutional agreement do not come to pass.

What initiatives will the Premier take to ensure native rights are included or negotiated? He said there was room for more negotiation.

What steps will he take internally in Ontario to assure the women of the province that he will not use “notwithstanding” clauses, for example in legislation about equal pay for work of equal value?

Perhaps most important, will the Premier take the historic and statesmanlike step of indicating to the people of Quebec that Ontario is willing, ready and able to come under the jurisdiction of section 133 of the present British North America Act as a gesture of goodwill to the people of Quebec and that things still are worth negotiating in this Confederation of ours?

2:30 p.m.

Hon. Mr. Davis: Mr. Speaker, I will try to deal with what really were three questions. The first related to the concern of the native people. The member pointed out there is a specific section in the agreement—which all first ministers except the Premier of Quebec signed—making it clear the question of aboriginal rights would be determined, we hope, by the first ministers. A meeting for this purpose would be at the call of the Prime Minister of Canada.

I would point out to the acting leader of the New Democratic Party that Ontario was not one of the provinces that suggested it should not be contained in the charter at this time. I think that position was well known.

With respect to the second question, I am not sure the wording in the charter specifically referred to the item he raised. This province, certainly in the field of equality rights, will not be passing any “notwithstanding” legislation. I think that much is obvious. So that covers the second question.

The third question touches on a very sensitive issue. This matter—I think I am right about this historically and in terms of the point of view expressed by the Premier of Quebec—was not an issue at the conference in any manner, shape or form. The point of view of the Premier of Quebec, of course, is that education is strictly a provincial matter, and it was not raised at the meeting itself.

As I tried to tell the House on Friday, the two areas in which the Premier of Quebec registered his disagreement with the document that was signed were, first, the question of fiscal equivalencies in cases of opting out and, second, the mobility question.

I made clear in Ottawa, and I restate, that from my perspective we in this province are

certainly prepared to do anything we can to help in the debate or discussions that may take place. I do not think the conference of first ministers has precluded some other wording on the question of mobility as long as the principle is contained in the charter.

I have difficulty in not accepting the principle of mobility. This was one of the areas Ontario suggested, I guess, a year and a half ago—whenever it was: two years ago—along with the principle of free movement of goods and services. Incidentally I think that should be within the charter as a matter of principle. But we did not debate that any further; it was not acceptable to many others. The government of Canada, as I recall, was prepared to accept it, but I think Saskatchewan—and I do not say this unkindly—was less than enthusiastic, as were a number of other provinces.

So I would say in summary, on the first question, this province is not one of those which was not prepared to have it in. I assume there will be discussions between the government of Canada and the leaders of the native people as to how we deal with it.

With respect to the second, we had already supported equality rights in the charter itself and I do not expect that is going to change.

With respect to the third question, this province will certainly do all it can to find ways to ease the situation with Quebec, but I cannot tell the honourable member it is the kind of thing which would have any meaning to the Premier of Quebec, in any event, with respect to section 133.

Mr. Foulds: Supplementary, Mr. Speaker: Would the Premier not agree that the moment of history has not yet passed and there is still much to be done? Would the Premier not agree it is up to him, that it is indeed part of his role, since he is one of the people central to confederation and this province is one of the provinces central to confederation, to take initiatives to ensure the native people receive the aboriginal rights they deserve, not only in this province but also in this country?

Second, with regard to the question of the attitude of the Premier of Quebec, will the Premier of Ontario not agree that he must make overtures not merely to the Premier of Quebec but also to the people of Quebec and to the people of French-Canadian origin in Ontario?

Hon. Mr. Davis: Taking the questions in reverse order, I think it is fair to say, at least at this moment, that it is not the decision of the people of Quebec but of the government of

Quebec not to be included in that agreement. I regret that decision. I really felt that we worked quite hard and that it was worded in a fashion that would be acceptable.

If the decision is based solely on the mobility section of the charter, I still have difficulty understanding the decision, but I cannot put myself in Mr. Lévesque's position. It was perhaps more understandable when he said the fiscal equivalency was a matter of principle for him; yet, as I explained here on Friday, I find it difficult to build that into a formula when the fiscal transfer could be considered as an inducement to opt out of a constitutional change that one would hope reflected the "national will." So I cannot suggest to the honourable member that the position should be altered with respect to that.

I did point out, and the Prime Minister made it very clear, both in private and at the public meeting, that as a matter of principle that should be in but that no national government was going to penalize a particular province because it decided to opt out of a constitutional amendment. Once again, I guess that assurance was not sufficient for the Premier of Quebec.

With respect to the native peoples, if the member checks carefully with the native peoples as represented in this province, they will agree that Ontario insisted it should be on the agenda at the meeting a year and a half ago and that we were supportive of having the native peoples dealing directly with a first ministers' meeting. I can only say to the honourable member that Ontario did not ask that it be removed.

There was concern expressed by some other provinces—I do not intend to identify them—that the wording and some of the problems inherent in that were not yet satisfactory, and the Prime Minister really did include that in the statement. I believe all first ministers are committed to agreeing to this process. If there is some alteration in this by some other first ministers prior to the resolution being passed by the House, certainly Ontario would not stand in the way.

Mr. Smith: Mr. Speaker, can the Premier give us any insight from his days of negotiating with Mr. Lévesque as to what the Premier of Quebec's objection is with regard to the minority language of education section in the proposed charter, particularly inasmuch as that Premier seems to have said in the past that he would be willing to agree on a bilateral basis with each of

the other nine provinces individually to provide such rights if such were also provided in the other provinces?

Given that it could even be worded in the charter as nine bilateral agreements, if the federal government chose to so word it, rather than as one blanket statement, does the Premier have any real understanding of what Mr. Lévesque's objection might be under these circumstances?

Hon. Mr. Davis: Mr. Speaker, I would be very reluctant to express what I perceive to be the point of view of a fellow Premier. I can only tell the Leader of the Opposition that my sense was that the Premier of Quebec regarded this as being in direct conflict with the existing jurisdiction in the field of education and that he felt this was fundamental with respect to their educational and language policy; I think it was that point of view that put him in the position of saying he would not accept it.

I do point out that my recollection—and I am going by recollection and by the press conference—is that he really did not refer to that, because the clause was very specifically worded that the other nine Premiers agreed that it would apply in their provinces and that Premier Lévesque's objection to signing the agreement was based on the other two issues. But if the Leader of the Opposition is asking me, I think it has been his position that historically it is a direct change in the powers of the constitution, that he regards the language and education areas as being totally in the provincial domain and that he probably would not accept it. However, he really did put forward his arguments based on those other two items. It was not on the education part of the charter.

2:40 p.m.

The Leader of the Opposition is substantially correct, because it was Mr. Lévesque's suggestion at either Charlottetown or St. Andrews-by-the-sea—I guess it was there, but there have been so many conferences—that there should be agreement by reciprocity. I think all provinces objected to that in principle, because one does not make anything as fundamental as minority language rights dependent upon a reciprocal agreement between provinces. That would not be my preference, and I expressed it at the time.

Mr. Foulds: I listened carefully to the Premier as he explained what had happened in the past. He used phrases such as, "Ontario will not stand in the way." However, having taken the one

initiative last week of giving up the veto, can the Premier tell us if he feels that is enough for Ontario to do? Is he holding out for us no hope that he and his government will take some initiative in the future, in the next few days, to try to end the terrible isolation Quebec may find itself in?

Hon. Mr. Davis: I am relatively modest but, with great respect, Ontario's statement that we might, under appropriate conditions, forgo the veto was not Ontario's sole initiative. It was somewhat more complicated than that. Ontario was substantially more involved in that particular suggestion, but I do not intend to go into that. If he wants to read about it, when I publish my book 30 years hence it will all be there. It will be factually correct, perhaps.

Mr. T. P. Reid: It will be an awfully thick book if you write like you speak.

Hon. Mr. Davis: It will be a very short book.

I just repeat, I would have liked to have seen the Premier of Quebec sign the agreement. That would be my preference and, I think, that of all other Premiers. But I cannot honestly say to the acting leader of the New Democratic Party, and I hope he is not asking me to say, that we now disagree with mobility rights in the charter. I am sure the honourable member supports that as a matter of principle. I am sure he supports the principle that, if a province opts out, it should not be the financial beneficiary of opting out of a constitutional amendment.

Those are the two key elements as expressed to me by the Premier of Quebec, and I am sure the acting leader, the next leader of the New Democratic Party, in his own mind would not want to see us alter our position on that. I would not even if he did, but I am sure he does not.

I also have to make this casual comment: I saw that the honourable member was quoted over the weekend as saying he has more presence than charisma. I am not one of those who would say that; I think he has an equal amount of both. I will not say how much; I said equal.

FUNDING FOR EDUCATION

Mr. Wrye: Mr. Speaker, I have a question for the Minister of Colleges and Universities. The minister will be aware that the federal Minister of Finance, Mr. MacEachen, has now said he does not intend to cut federal support for either health care or post-secondary education in this Thursday's budget. She will also be aware of the continuing funding problems, such as the one at

Humber College here in Metro Toronto, where the jobs of up to 15 faculty members will be lost to help trim \$3.3 million from next year's budget.

Now that Mr. MacEachen has made his commitment, will the minister give her personal commitment to properly fund Ontario's university and post-secondary system rather than continuing to stall while colleges like Humber worry whether they will even be able to survive?

Hon. Miss Stephenson: Mr. Speaker, there is no doubt in my mind that Humber College will continue to survive, and I am well aware that there is no doubt in the minds of those associated with Humber College that it will continue to survive.

I do not have such confidence in the utterances of Mr. MacEachen. I read the statement he made last week, which was reported as being a statement denying that there would be any cuts in funding for the established programs financing. Careful perusal of that statement will enlighten the member to the point Mr. MacEachen was trying to make, that he would give no such commitment. His circumlocution was delightful but he certainly did not commit himself in any way to no reduction in that area.

Mr. Wrye: I want to bring another statement to the minister's attention; it was made by her Premier. It should make the minister aware of the absolute confusion that is now in the ranks of Ontario universities and colleges—confusion that has been caused by the kind of comments made by the Premier.

I refer to the curious column under the Premier's byline in the Brampton Daily Times of September 28, in which he reviewed the various funding recommendations in the Fisher report, including the proposal for a restructured system, should adequate funding for the present system not be available. He concluded the column by saying—the minister will have a copy of it—and I quote: "Since the report recommends such substantial structural changes, our government will be giving it very serious consideration before taking any decisive action."

Since the report only recommends restructuring of any kind if the government is not prepared to properly fund the system, am I to assume that the key recommendation, that the system be given the kind of funding it needs to survive, already has been rejected by this government?

Hon. Miss Stephenson: No.

CANADIAN ADMIRAL

Mr. MacDonald: Mr. Speaker, in the absence of the Minister of Industry and Tourism—

Hon. Mr. McCague: Here he is.

Mr. MacDonald: Oh, he is here. I am sure the minister can hear while being mobile; so my question is this: Am I correctly informed that a management group from the Admiral corporation has approached the government with regard to a proposal in which they would be willing to take over the company rather than have it go down, which would mean the loss of some 2,500 jobs? If that approach has been made to the government, what is the government willing to do to accommodate it to realization?

Hon. Mr. Grossman: Mr. Speaker, several groups have been in contact with the ministry with regard to the Admiral situation. I have indicated to all of those groups that the government is willing and prepared to do everything possible to maintain those jobs in Cambridge and Mississauga. That is the up-to-date situation.

I must say to the honourable member, and I hope he will bear with me, that the negotiations and discussion are very complex. It is made most difficult by the way in which proceedings were taken. As we try to work with all the people involved, it is fairly important that the identification of any of the prospective purchasers remain confidential between the purchasers and all of the players involved while we try to unwind the situation.

I can assure this House very clearly that the government will do absolutely everything reasonable under the circumstances to try to reconstruct the situation and get those jobs back at Cambridge and Mississauga.

Mr. MacDonald: I would be curious to know how many groups are flooding in to rescue the situation. Does the minister feel that he cannot answer the question I put to him, which was that one of those groups that is seeking with the government to re-establish the situation so the company can proceed is a management group from within Admiral, which presumably would have the experience of the operation of the company?

Hon. Mr. Grossman: I think there is a group from inside Admiral that has acknowledged that it is interested in it. In those circumstances, as is the case of anyone else who decides to indicate showing some interest, I will confirm anyone who wants to disclose themselves as well.

There is a group inside Admiral which has

approached a very many people with regard to putting the thing back together, and everyone has one goal in mind: not only to see that the thing is restructured and that a firm carries on in those locations but also that it should be a strong, well-managed and properly financed organization so that we do not find ourselves back in this situation a year or two from today.

I do not prejudge that particular application as against any others. Of course, the final determinant of who shall operate those plants, if anyone does, as I hope they will, is not in the hands of this government alone. May I also say to the member that my staff and I have been working almost nonstop since last Thursday, including through the weekend and right up until 1:45 p.m., on these arrangements, and that level of activity will continue for as long as possible.

2:50 p.m.

I also wish to take this opportunity to indicate that, because of the nature of what happened here, it is likely to take several weeks, if not a month and a half or two months, until this matter is sorted out. But it is rather worth the effort being put in, and at this stage I can say that all the people involved are working very sincerely and openly and honestly to do what they can to get those 1,770 jobs back in place. But it will take a time frame of at least four weeks, I would estimate, and perhaps as many as eight weeks.

Mr. Peterson: Mr. Speaker, is the minister aware that the relatively recent purchasers, York Lambton, raped the company of approximately \$25 million shortly after their purchase of it from the American owner, Rockwell International, and that this rape of the company, because they ran down the equity, because they had to refinance and now cannot carry the interest payments, principally caused the rundown of that company? What is the minister going to do about that kind of theft out of the company treasury?

Hon. Mr. Grossman: I can only say this to the honourable member, Mr. Speaker: My job is not to find villains but to find heroes in this piece, and that is what we are going to try to do over the next few weeks.

TOURISM SALES TAX EXEMPTION

Mr. Eakins: Mr. Speaker, my question is to the Minister of Industry and Tourism. Given that the minister has allocated some \$38 million in this fiscal year under the Board of Industrial

and Leadership Development program to stimulate the tourism sector in Ontario, does he plan to let the sales tax exemption on accommodation, which his government has proclaimed to be a major stimulant in this sector, expire as of December 31, 1981?

Hon. Mr. Grossman: Mr. Speaker, with tourism visitations in the province up 27.7 per cent, which is far in excess of any other jurisdiction, and with this government, through BILD particularly, giving us an extra \$2 million to boost our advertising through our enormously successful Yours to Discover campaign, we are in a position in Ontario to have perhaps the strongest tourist industry anywhere in North America, by far and away the strongest in Canada.

Against that backdrop, my colleague the Treasurer (Mr. F. S. Miller), who is, as the member knows, intimately familiar with the tourist industry, has to make certain judgments. In accordance with his budget brought down several months ago, the member knows the Treasurer made that decision. The tourist industry has had an opportunity to speak with the Treasurer, both before and after that decision. If the member wishes to ask the Treasurer whether he is considering reconsidering that decision, he can feel free to do that when the Treasurer is here later this week.

Mr. Eakins: The minister surely has a great deal of input with the Treasurer on behalf of the tourism sector. While the minister speaks of the increase in tourism of some 27 per cent, he is very much aware that Tourism Ontario, in its paper to the federal government, has indicated this may not happen next year, because that 27 per cent takes into account many one-day and two-day visits of people coming across the border to get gasoline.

But my question to the minister is whether he is going to recommend that the sales tax exemption should be carried on after December 31. Yes or no? What is the minister's recommendation?

Hon. Mr. Grossman: May I say that on this side of the House we have one solid, consistent view on these things, and I can assure the honourable member that I support the Treasurer in his moves in this industry as well as any other industry. The Treasurer's track record in terms of helping to stimulate industry in this province speaks for itself. It is an excellent track record, which I continue to support.

I also say to the member that I do not know of

too many people who come and stay for two days just to buy gas. So unless anybody thinks those figures are inflated, they really are not. I stand with my colleagues, as always.

DAY CARE

Ms. Bryden: Mr. Speaker, I have a question for the Minister of Community and Social Services. I am sure the minister has met today in the building with the representatives from the Ontario Coalition for Better Day Care, which is made up of 19 organizations representing about 1.3 million people in this province.

Will the minister tell this House whether he is prepared to accept their three immediate requests to move towards their goal of universally accessible quality day care in this province by the year 1990? These three requests are: (1) a \$5 subsidy per space in nonprofit day-care centres to permit upgrading the salaries of day-care workers, (2) the creation of 10,000 new subsidized day-care spaces and (3) the establishment of a task force to plan specific ways to meet day-care needs in both the long and the short run in this province.

Hon. Mr. Drea: Mr. Speaker, in the meeting this morning, I thought the replies of the Premier (Mr. Davis) were quite responsive and responsible. To sum up on the three thrusts, the Premier pointed out that the government is committed to the expansion of day care in this province, that the record of this province stands second to none anywhere in the country and that there was an open mind on the proposed task force.

I do not know whether the honourable member was there, but there was quite a discussion on just how open-minded the coalition was on the task force. In terms of the specifics, there were no commitments made.

Ms. Bryden: It seems that when this government is planning to do nothing it always speaks about leading the country in what it has done in the past.

Does the minister know that there are long waiting lists for subsidized day-care spaces, that there is almost no day care for children under two or those with disabilities and that there are no arrangements to extend day care to meet the needs of shift workers?

In the light of those facts, is the minister prepared to accept these three preliminary steps to move towards adequate day care in this province?

Hon. Mr. Drea: First of all, I do not know why

this minister is being asked, because the whole brief was to put it in the Ministry of Education—

Mr. Nixon: She hasn't got enough to do.

Hon. Mr. Drea: Oh, they had kind words in there for the member opposite, believe me. He should have come. Compared to him, I am one of the folk heroes of that particular group.

In response to the question that the member for Beaches-Woodbine has asked, I do not know how a government can be expected to put more into subsidized day-care spaces when one of those thrusts, the \$5 per space grant, would almost entirely benefit the middle class. That point was brought out this morning not only by me but also by the coalition, which said, "Now is the time for a middle-class grant."

I do not know how the member can have it both ways. That is exactly the question I raised this morning. If the member wants more subsidized day-care spaces, why in the world is she talking about a universal grant that is not based upon need and would merely go to each and every parent who is utilizing the system, regardless of income?

Ms. Copps: Mr. Speaker, will the minister assure this House that he is going to carry on not only with expansion of spaces for traditional day care but also with the kind of nontraditional day care that exists in Hamilton, where a 24-hour service is invaluable and essential for single parents, particularly women who are trying to enter the nontraditional job force market? We need more 24-hour day-care centres if we are going to have nontraditional jobs open to sole-support mothers.

Hon. Mr. Drea: I can do two things for the honourable member; the first is to reiterate the commitment the Premier made on behalf of the government today, that we will be expanding day care and continuing to provide a leadership role in the field in Canada.

Mr. Martel: That's some role!

Hon. Mr. Drea: It is a lot better than Saskatchewan. I wonder where all that oil and gas money out there goes.

Interjections.

Mr. Speaker: Back to the question.

3 p.m.

Mr. T. P. Reid: How many day-care centres could be provided for \$650 million?

Hon. Mr. Drea: How many would the member want provided? If anybody got dusted over the coals today, he did.

Mr. Speaker: Order. Will the minister respond to the question, please?

Hon. Mr. Drea: Mr. Speaker, why—

Mr. Ruston: Why don't you buy General Motors?

Hon. Mr. Drea: I beg pardon?

Mr. Speaker: Just ignore the interjections and respond to the question, please.

Hon. Mr. Drea: Mr. Speaker, when my friend the member for Essex North (Mr. Ruston) bellows, it catches one on the way by.

To come back to the honourable member's question, one of the other thrusts mentioned most emphatically by the Premier this morning was the need for more creativity in the establishment of alternatives to the traditional model in day care. The question of 24-hour day care or 24-hour service providers is one of the things being looked at by the ministry now, and indeed we are asking for proposals in that area.

AVAILABILITY OF REPORTS

Hon. Miss Stephenson: Mr. Speaker, this is in response to the point of privilege raised by the member for Windsor-Sandwich (Mr. Wrye) at the outset of this question period. I wanted to be absolutely sure before I responded to it.

The report he mentioned, entitled Program Availability and Student Needs in Part-time Studies at Ontario Universities, was funded by the Ministry of Colleges and Universities. During September and October, it was distributed by the research branch of that ministry to all part-time student organizations at all Ontario universities and at Ryerson Polytechnical Institute and the Ontario College of Art, with copies to the Ontario Council on University Affairs, the Ontario Federation of Students and the Council of Ontario Universities. It was also distributed to the presidents of Ontario universities, and a copy was sent to each of the libraries and all continuing education directors.

On October 19, the assistant deputy minister of the Ministry of Colleges and Universities wrote to each of the organizations that received copies of the report, asking for their comments, which was the purpose of the distribution.

On Friday, when my office discovered the opposition critics had not been on that mailing list, my staff sent those members a complimentary copy of the report on Friday. I can only say I look forward with great interest to reading the response of the member for Windsor-Sandwich.

WORKMEN'S COMPENSATION

Ms. Copps: Mr. Speaker, I have a question for the Minister of Labour. Is the minister aware of a letter being sent to every injured workman covered by workmen's compensation in Ontario regarding the proposed changes to the Workmen's Compensation Act? I quote from the letter: "Your benefits may be larger but never lower."

Since the minister knows, at least in the instance of widows, that a widow aged 39 will lose more than \$30,000 in lump-sum benefits if the revisions are adopted, will he order the Workmen's Compensation Board to stop sending out this misleading information?

Hon. Mr. Elgie: Mr. Speaker, I am aware the board had sent a letter to recipients of compensation. Naturally, they are trying to gather available information about what might take place if there were a changeover to a new system.

The member is a little in error when she suggests the statement made was inaccurate. If the honourable member would read the Weiler report and the white paper, she would understand that his proposal with regard to widows and dependants is in line with the Family Law Reform Act.

It does say that if a widow is under 40, I think it is, with no dependants, there would be a lump sum payment. It also indicates very clearly that in certain circumstances, for example, if that widow needed some assistance in rehabilitation or to get back into the work force, that too would be an obligation of the board.

It is an effort to distribute income to those who need it and to respond to the realities of life in the work place. The member may not think that is right, but a thoughtful review of that report cannot lead the member to any other conclusion.

Ms. Copps: A woman whose husband is killed on the job may have some difficulty understanding the minister's distinction.

Will the minister send another letter to these same workers advising them that if they opt to remain in the old plan—which is their option—they may never receive another cost-of-living increase in their workmen's compensation disability benefits? Why does the minister not talk about that in his letter when he says, "Your benefits may be larger but never lower"?

Hon. Mr. Elgie: There is some implication in the member's statement that there is an attempt to mislead. If she reads the green paper and the

white paper she will know clearly that has been the understanding all along. There is no suggestion of anybody here trying to mislead anybody. That paper is out for discussion, legitimate comment and criticism and I am getting those comments, some of them good and some of them bad. That is what the process is all about. She should not try to suggest there is any misleading going on here.

Ms. Copps: On a point of privilege, Mr. Speaker: I am not only suggesting, I am stating that this letter is misleading.

Mr. Speaker: That is not a point of privilege, with all respect.

INTRODUCTION OF BILLS

BANKFIELD CONSOLIDATED MINES LIMITED ACT

Mr. Robinson moved, seconded by Ms. Fish, first reading of Bill Pr9, An Act to revive Bankfield Consolidated Mines Limited.

Motion agreed to.

GREATER NIAGARA GENERAL HOSPITAL ACT

Mr. Kerrio moved, seconded by Mr. Ruston, first reading of Bill Pr24, An Act respecting the Greater Niagara General Hospital.

Motion agreed to.

ANSWER TO QUESTION ON NOTICE PAPER AND RESPONSE TO PETITION

Hon. Mr. Wells: Mr. Speaker, I would like to table the answer to question 117 and the response to a petition, sessional paper 230, standing on the Notice Paper. (See Hansard for Friday, November 13.)

ORDERS OF THE DAY

House in committee of supply.

ESTIMATES, MINISTRY OF NORTHERN AFFAIRS (continued)

Hon. Mr. Bernier: Mr. Chairman, I appreciate the attentiveness of the House during my review of the ministry's activities. I recognize the member of Rainy River (Mr. T.P. Reid) was not able to be with us last Friday. He did notify us to that effect and I am pleased he is here

today to follow up. I sent him a copy of my remarks. If he wishes to follow them, as I am sure the member for Lake Nipigon (Mr. Stokes) is doing attentively, I will start on page 38.

3:10 p.m.

Mr. Wildman: Page 38? How many pages have you got?

Hon. Mr. Bernier: I am just getting started.

For those members who may not have been here on Friday, I pointed out that this is the first session of the Thirty-Second Parliament, where the estimates of the Ministry of Northern Affairs will be reviewed. For the benefit of the new members we felt it was important to roll out in detail the operations of the ministry once and for all. I assured the members I would not undertake this task in the future, but I think that once every four years it is important to roll it out. I hope members will bear with me.

Mr. Stokes: A lot of people would call it a filibuster.

Hon. Mr. Bernier: Yes, I know they would.

Mr. T. P. Reid: A lot of people who are not so polite would call it something else.

Hon. Mr. Bernier: But I would remind those who are from northern Ontario that when we do get the opportunity to speak on the floor of the Ontario Legislature we should take full advantage of it—to promote and support all the good activities that are going on in northern Ontario. I know the members share this view with me.

Mr. Wildman: You have a better chance. We cannot move closure.

Hon. Mr. Bernier: If I may move on, Mr. Chairman, I have a copy of my remarks, if you would like to have them.

Mr. Chairman: We are having trouble settling down here, for some reason.

Mr. Wildman: The minister is being provocative.

Hon. Mr. Bernier: No. I am trying to be very helpful and supportive of what is needed in northern Ontario.

When I wound up on Friday last I was discussing transportation policy for northern Ontario. One area in which northern Ontario really excels, and of course it is of necessity, is in the provision of local air services, the second activity within the northern Ontario transportation program.

Today northern Ontario boasts one of the finest local or feeder airlines in the world. I refer to norOntair, the air services arm of the Ontario Northland Transportation Commission, which is an agency of my ministry.

NorOntair now flies nine Twin Otters to 21 northern Ontario communities. In 1984 the ministry will become the first customer for the new de Havilland Dash-8. We have already contracted to purchase two for use in our main trunk lines serving connecting locations with Nordair and Air Canada.

We in the government are proud of what norOntair has been able to do over the past decade. The ministry supports norOntair's operating deficit in order to provide at least a minimum standard of regular air service to the communities in the norOntair network. In 10 years norOntair has been able to reduce its per-passenger operating deficit from \$75 per passenger in 1971 to under \$6 in 1981. That is in constant 1971 dollars.

This year we are marking the tenth anniversary of norOntair. Last week I reported to the House on the progress we have made over the past decade.

The rail and ferry services of the Ontario Northland Transportation Commission constitute the third activity under the ministry's northern transportation program. Many southern vacationers are familiar with the MS Chi-Cheemaun, which carries passengers and vehicles between Tobermory and Manitoulin Island. This year the Chi-Cheemaun will be fitted with an additional car deck to increase its capacity by 25 vehicles. The Chi-Cheemaun will also extend its peak sailing period and offer additional peak period and Friday night sailings to accommodate increased traffic.

The rail freight services of the ONTC are its bread and butter, as they have been since the railroad came into being as the Timiskaming and Northern Ontario Railroad in the early part of the century. The Ministry of Northern Affairs funds the operating deficits of the passenger service of the ONTC as a commitment to the travelling public of northern Ontario. The passenger rail services of the ONTC include the Polar Bear Express to Moosonee, the Northlander from Toronto to Timmins and Northland service between North Bay and Cochrane.

In addition to these services the ONTC operates a bus line, a trucking company and a telecommunications network serving the west coast of James Bay. They will also be putting in telecommunications for the Detour Lake project. The ONTC prepares its own annual report each year which contains a full account of its financial and corporate affairs.

A good account of the development of the Timiskaming and Northern Ontario Railroad

into today's modern corporation is provided in the book, *Steam into Wilderness* by Albert Tucker. I would recommend this to the honourable members as a good introduction to northern Ontario's early development.

As a ministry with a special mandate we must often strike a balance between the flexibility we need to meet the variety of opportunities presented by our many norths and the accountability we must maintain as a \$156 million corporation.

Nowhere is that balance more carefully observed than in the ministry's northern community service and development program. Our goal in this program is simple; to ensure as far as possible within our mandate that our northern Ontario communities have a basic level of essential health, social, cultural and physical services. In providing these services, we look first at the communities that are helping themselves and taking the initiative in securing services or establishing economic development activity. We are talking here of a mix of hard and soft services, from water and sewage systems to the kind of one-of-a-kind assistance provided by our northern affairs officers.

The northern affairs officers are the cornerstone of our ministry, its grass-roots connection with the north. The NAOs are among the two-thirds of the ministry's staff located in the north and their activity is the first item within the northern community services and development program. The men and women of the ministry's field services provide a one-window, storefront service to the residents of the communities they serve. Simply, this means that an individual in a town with no Ministry of Health office, such as Red Lake, can get information on his or her Ontario health insurance plan claim or replace a drug card through an NAO office.

The same goes for employment standards, the Workmen's Compensation Board, Ontario tax credits—in fact the entire range of Ontario government programs and several federal programs besides. If the NAOs do not have the information, they can get it through the telex and telephone network that connects all of them to our information services branch right here in Toronto.

The NAOs perform a variety of routine tasks besides, processing an average of about 1,000 customer transactions a month. They visit satellite offices regularly, they take an active role in the life of the community they serve and they help other ministries co-ordinate and deliver their northern programs.

On top of all this, the NAO finds time to take a personal interest in his or her clients or neighbours. Several of the NAOs have begun the very useful practice of organising government symposia with participation from local staff of other ministries. The NAOs also play a key role in helping unorganized communities in their areas form local services boards should those communities choose to do so.

This year the two community relations branches of the ministry to which the NAOs report will begin developing information packages geared to specific client groups. These groups might be single parents, widows or widowers or senior citizens. In the case of the latter, for example, we recently had the case in Dryden of a man over 65 years of age who had been asked to pay an OHIP bill because his coverage had stopped. Not only should he have had premium-free coverage, the NAO learned that the man had not applied for his old age pension because he thought it was some kind of welfare. Needless to say, Brian England, the Dryden NAO, helped the man make the arrangements to get the benefits to which he was entitled.

Mr. Stokes: Northern members do that all the time. You know that.

Hon. Mr. Bernier: I know that; I am not saying they do not.

Mr. Stokes: That is not unusual.

Hon. Mr. Bernier: But it just shows the variety of things NAO officers do. They cover a wide gamut of services to the people of northern Ontario. I think the member accepts that.

Our NAO officer in Red Lake, Pat Wallace, cut through the red tape for what could have been a beaureaucratic nightmare to secure an extended Italian passport for an elderly lady who had to travel to Argentina with her mother. The mother was Canadian but had no passport at all. Pat co-ordinated the various official and travel logistics and the ladies were able to make the trip. Particularly noteworthy was the fact the bulk of the arrangements were made on a Saturday.

These examples can be multiplied right across the north and I give them just as illustrations of the dedication of the NAOs and the type of human challenges they face.

Mr. T. P. Reid: To say nothing of the members.

Hon. Mr. Bernier: Oh, they get them. They do their bit, through their constituency offices.

There is no question about it. Members will note that I used two examples in my own riding. I hope they recognize that. They can go outside.

Mr. T. P. Reid: Yes, I noticed.

Mr. Stokes: That is because the member doesn't have time to address himself to those things.

Hon. Mr. Bernier: I did not go outside my riding because I felt there might be some criticism. I used typical examples from my own riding just to show you.

3:20 p.m.

Mr. Stokes: Does that mean you have 29 constituency offices in the north?

Hon. Mr. Bernier: No, I only have four. The Northern Affairs officers in my riding—and I have four—do have a special role to play because of my position as the local member and as the minister. Recently I had every section here in Toronto. I certainly recognize the extraordinary job they do on behalf of the Ontario government, with me looking over their shoulders all the time.

There is Ms. P. Wallace from Red Lake, Mr. K. Pride from Kenora, Mr. B. England from Dryden and Mr. R. Willis from Sioux Lookout. They do a good job. I am not saying they do a better job than others across northern Ontario but they do have the problem of my being their member and living right in the area.

Mr. T.P. Reid: And they know about it.

Hon. Mr. Bernier: Challenge is almost constant in any northern undertaking. As an example, take the community infrastructure activity within our northern community services and development program. Safe, reliable water and sewage services are a fundamental requirement in any community that hopes to attract new business and industry, provide for new growth or simply guarantee the health standards expected by its citizens. With the Ministry of the Environment, Northern Affairs assists in providing these basic physical amenities. I am sure the member for Lake Nipigon will agree with me on that point.

The challenge arises from the fact most of the north sits on bedrock on the Canadian Shield and laying sewer pipe in this rock is no easy or inexpensive task. As a matter of fact, Northern Affairs has worked with the Ministry of the Environment on the development of a low pressure sewer system. This relatively inexpensive system was tried and found to be successful

in Belle Vallée in northeastern Ontario last year and we look forward to its application in other northern Ontario communities.

Over 40 water and sewage projects received MNA assistance last year, some through the Ministry of the Environment, others through direct grants. Many of these projects will be continued this fiscal year and eight new projects will be started.

Under the community infrastructure program we also provide funding for additions or improvement to municipal and remote airports. The rationale here is for expanded economic opportunities through the provision of basic physical infrastructure. Last year, with the Minister of Transportation and Communications (Mr. Snow), we opened airports in Webequie and Bearskin. Before the end of 1982 we hope to perform the same task at Deer Lake and Sachigo.

If some of the honourable members do not think having these airports makes a big difference in the economic opportunities available to these communities I would urge them to visit some of these towns and discover for themselves the changes that can be wrought—or perhaps I should say bought.

The final item for which the members will be asked to vote funds is community development activity under our northern community services and development program. This is a broad program, the goal of which is to ensure that basic medical, social, cultural and recreational services are made available to the residents of smaller northern Ontario communities.

A week ago last Friday morning, when I had hoped to begin these estimates, the public gallery contained a number of ladies and gentlemen who were down here to market their communities to medical and dental students in the five major medical centres in southern Ontario. They came from over 25 northern communities as part of the underserved areas recruitment program.

Under the direction of Dr. W. J. Copeman of the Ministry of Health, this program conducts a week-long tour of the cities where the province's medical schools are located. The underserved communities have an opportunity to tell their own stories. The majority of these underserved communities are from the north and the Ministry of Northern Affairs provides a travel subsidy of \$1 per mile from their communities to Toronto.

These people came to obtain the medical personnel and resulting services which are

taken for granted in the rest of the province. They and their communities share our determination to provide medical care to the north utilizing a wide range of unique and innovative programs.

Our methods of attracting doctors and dentists and other health care specialists to the north are recognized as being among the most effective in Canada. I was proud to be able to share our ideas with others at the northern ministers' conference in Labrador in September who had equal concerns for health care in northern areas of their provinces. As a result, last week Mr. Brian Gifford was here from Alberta to study this province's methods of medical recruitment.

One of our most successful programs has been the bursary program, which is run in conjunction with the Ministry of Health. With funding from the Ministry of Northern Affairs, this program provides 50 medical bursaries, 15 dental and six audiology and speech pathology. These bursaries are worth \$5,000 for students who contract to work in designated underserved areas of northern Ontario. The bursary program is aimed at attracting general practitioners to the north where, at any one time, there is an average of 50 needed in underserved communities. The bursary program also attracts dentists to the north for there is an average of 15 needed at any one time in underserved communities of northern Ontario.

The success of the bursary program in the medical and dental fields encouraged us to pursue the idea further. This year we are adding three more bursaries to attract additional specialists in speech pathology. This year we will also provide six new bursaries for psychometrists and social workers with masters degrees. These bursaries will help to correct a long-standing shortfall in children's services in parts of northern Ontario.

The Northern Affairs bursary program ensures there will be a continuing supply of medical personnel in northern Ontario. The first two family practitioners from the present program went to Dryden and Little Current in 1980-81. Six doctors will be placed in northern Ontario by the fall of 1981, and 16 more doctors should be available for placement by the fall of 1982. Thirty-two more doctors will be available for placement by the fall of 1983.

Those figures are impressive especially to the northern communities who so desperately rely upon programs such as the bursary program to bring them the much-needed medical person-

nel. In the same vein, the bursary program will ensure that 14 dentists are available for placement in the north by the fall of 1982. Even when a small community has these means of attracting a doctor or a dentist, or both, there is often the problem of having no adequate building in which a medical practice can be conducted. My ministry solves this problem for many communities by assisting with funding to build medical and dental clinics. We have assisted 14 communities to acquire facilities or equipment, including Rainy River, Noelville, Larder Lake, Manitouwadge, Killarney, Chapleau, Cobalt, Geraldton, Nakina, Sioux Lookout and Red Lake.

In some smaller communities it is not practical to provide permanent dental facilities. That is why a key part of the special health services in northern Ontario is the mobile dental coach program. In its first year of service, Northern Affairs provided funding through the Ministry of Health for the purchase of five dental coaches for use in small communities without a permanent dentist.

Last year, with Health, we took another important step towards improving northern dental services. A school-based dental care program was set up for school children in the Kenora-Rainy River District. This dental program included 10 communities. Permanent dental clinics were set up in larger schools while portable equipment was used in the smaller schools. These communities are Wabigoon, Stratton, Morson, Hudson, Vermilion Bay, Eagle River, Sturgeon Creek, Emo, McCrosson and Pinewood. Where is McCrosson?

Mr. T. P. Reid: The Rainy River district.

Hon. Mr. Bernier: I should know. These may be just a list of unfamiliar names to many but to the residents of these small communities, these dental programs are a giant step forward in health care for their children.

But my ministry looks out for more than just the needs of children in the north. Some of our elderly people in northern Ontario are benefiting from assistance provided by the ministry to fund facilities for senior citizens in Dryden and Terrace Bay. In Dryden we are involved in an interesting experiment at the minimal care Patricia Gardens facility. Patricia Gardens provides more care than a private residence, but is less restrictive than an old age home or hospital. A full-time nurse and one meal a day are provided by the facility, but otherwise, the

residents are free to live their own lives. We are proud to be a part of this innovative kind of care for the elderly.

3:30 p.m.

One of the greatest challenges my ministry has faced is to ensure, with the Ministry of Health, that basic health care is brought to the north. Right from its inception, my ministry committed itself to improving medical and dental services in the smaller northern communities. This has not been an easy task, but I am proud to say this ministry is known for its ability to tackle the problems that others say are insurmountable.

For understandable reasons, southern health approaches do not necessarily answer the northern needs. And so my ministry, along with the Ministry of Health, has been required to be innovative so as to ensure a high quality of health care to northern Ontario.

One of my ministry's innovative programs deals with a very specialized form of transportation—one which literally means life and death. I am referring to the air ambulance service which went into service on July 1 this year. My ministry provided \$3.8 million in funding for this service. This program provides two helicopter air ambulances based in Thunder Bay and Sudbury, and two fixed-wing air ambulances based in Timmins and Sioux Lookout.

The success of this service was dramatically illustrated by an incident that occurred last summer during the first days of the air ambulance service. A young man working in a remote area near Killarney was severely burned in a propane accident. By chance a Ministry of Natural Resources crew was nearby and was able to take the young man to the Killarney Provincial Park gatehouse. His luck held, for the Killarney volunteer ambulance crew who, as it happened, had just received a new ambulance, were able to transport him to the Killarney Medical Centre.

In one of those chance interventions of fate the new Sudbury air ambulance helicopter happened to be in the area at the time and was able to land at Killarney, pick up the young man, and take him to the Sudbury Memorial Hospital. There he was promptly admitted to the hospital's new burn unit—so new, in fact, that he was the first patient. That, Mr. Chairman and honourable members, is what practical self-sufficiency in northern health services is all about.

Air ambulance may seem to be a glamorous item for the emergency services in the north but it is only part of the story.

It is the aim of this ministry to provide the means by which most medical emergencies, as well as most non-emergencies, can receive high-quality treatment in the north at fully equipped hospitals and clinics, staffed by first-class professionals. This is not a lofty goal, but a practical goal, one which we are all well on our way to attaining.

All of these programs are indicative of my ministry's commitment to providing the best health care possible to the residents of northern Ontario. Certainly, they indicate that we have not been sold on the argument put forward by other politicians who seem to think the north's health care problems would be solved if my ministry simply handed out plenty of airline tickets to the south.

My ministry's health care goal can be summed up in a short phrase I just used: practical self-sufficiency. I am proud to say northern Ontario is well on its way to attaining that goal. A sophisticated air ambulance system, modern hospitals and clinics, a practical bursary program, an innovative step in care of the elderly, Ministry of Health installation of sophisticated equipment such as CAT scanners and burn units in our large medical centres, and outreach dental care programs are concrete milestones along the way. It has been a long, hard haul, but I am proud of the distance this government has come in just five years in the field of northern health care service.

Another way the ministry is helping the north to attain self-sufficiency in certain areas is through its local services boards program. In 1979, I introduced the legislation that permits small unorganized communities to form self-help boards to raise funding for such basic services as fire protection, water supply, street lighting and sewage disposal. This past fiscal year, we saw nine boards created, and by the end of this fiscal year we fully expect to have 25 local services boards operating in northern Ontario.

The Local Services Boards Act was the product of a dialogue held over a year between this ministry and the people the act was intended to serve. We held more than 20 meetings in these remote communities and made sure we were not going to be forcing anything unwanted on them. There was also a constructive debate in this House in which members of all parties participated, and eventually they supported the

local services boards legislation. In fact, I have said many times that this legislation is so good that all political parties are taking credit for it, and I share that glory.

Complementing the local services boards legislation is the funding provided through our community development activity, which incorporates the former isolated communities assistance fund. We help isolated communities to acquire the same basic services they can raise moneys for through the local services boards. Most important among these services is fire protection; we help these communities to acquire firefighting vehicles and firefighting packages. Direct grants are also provided for firefighting facilities.

I could go on describing the activities of the ministry for some considerable time. We have accomplished a lot in the past four and a half years, but that does not mean we are satisfied with ourselves; there is still much work to be done. However, I think it is safe to say that northerners feel less alienated from southern Ontario than they did five or 10 years ago. I think it is true that this ministry, through its presence in the north, has helped to reduce significantly northerners' feeling of being remote from government, and I think it is fair to say that the ministry has established itself as a useful and effective member of the Ontario government team.

At this time, I want to take a moment—and I am sure the other members will join me—to say goodbye to a member of this team who has been so effective in working in northern Ontario, our deputy minister, Art Herridge. Members may or may not be aware that Mr. Herridge leaves us in December for a well-earned retirement, and I think it is fair to say that the ministry will be sadder for it.

Mr. T. P. Reid: That's right; half your talent.

Hon. Mr. Bernier: That is right.

Art joined the ministry from the Ministry of Natural Resources, where he held senior positions in the resources and recreation and policies and priorities divisions. In the three years Art has been with Northern Affairs, he has filled his position with a sense of dedication and public service that has brought lasting credit to our ministry.

Art is certainly a true friend of the north. He spent half his working career there. He is committed to the principle that northerners should never feel they are disadvantaged in any way by geography, and he gives his full support to this ministry's decentralized structure to

effect that belief. I am sure the other members will want to join me in wishing Art the very best as he moves into a well-earned retirement.

Mr. Stokes: You and I know he is not retiring; he is just changing his focus.

Hon. Mr. Bernier: He is going to change his focus. Art is here with us, and the members all know him pretty well.

Mr. Chairman, I spoke about the other strengths of our ministry, but I would be remiss if I did not mention the staff in the regional offices. During my remarks I made extensive comments about the strength of the offices both in the northeast and in the northwest. I want to put on the record the support I receive as minister from my regional office here in Toronto. We have about 50 or so people who work in this section in the information, strategic planning secretariat and administrative support branches of the ministry. They are equally dedicated to working hard on behalf of all those people who work and live in northern Ontario.

As one would expect in a decentralized ministry where the chief function is to serve as resource to the regional staff, the information services branch, for instance, acts as a valuable conduit between the 29 Northern Affairs offices and the other ministries on whose Toronto programs they often provide information.

The information branch also helps the ministry with its consciousness-raising job in southern Ontario. I cannot do it all myself. Part of our mandate, as members know, is to increase awareness of the north down here; so information people are involved in such projects as Ontario North Now, the health recruitment tour, which I just spoke of, and the ski and sports shows that are held right here in Toronto.

At the very beginning of my estimates remarks, I mentioned the advocacy role we play and how we try to work with other ministries to help them define, improve or expand their northern programs and activities. This is a part of our job that, for obvious reasons, is carried out for the most part in the offices and boardrooms of Queen's Park. This is where the staff of our strategic planning secretariat find the decision-makers from other ministries whose ears they want to bend. This is where they need to be to keep abreast of other ministers' programs, changes and developments in order that our Northern Affairs officers and staff are plugged in at the appropriate times and places.

3:40 p.m.

Our Toronto office also maintains a well-stocked library, and I urge some of the members to consider using the library from time to time as a way of improving their knowledge of the north. Other Ministry of Northern Affairs literature is available in Toronto, including pamphlets on some of our programs and copies of our ministry's regular newsletter.

That concludes my remarks on the opening of these estimates. I sure in the next few hours we will hear from all political parties. I am free for suggestions, advice and any questions.

Mr. Chairman: Is the member for Rainy River (Mr. T. P. Reid) anticipating an opening statement, or is he moving right in to vote numbers?

Mr. T. P. Reid: Mr. Chairman, not only am I anticipating an opening statement but also I am going to make one. I am sure my colleague the member for Lake Nipigon (Mr. Stokes) is anticipating making one as well.

I begin my comments by wishing Art Herridge good luck in his new position, which we no doubt will all hear about shortly. I knew Mr. Herridge in his previous life in the Ministry of Natural Resources and had various dealings with him in his situation as Deputy Minister of Northern Affairs. I hope he is not the first of many who have decided they cannot stand it in Northern Affairs any more and are leaving a sinking ship.

My remarks are not aimed at Mr. Herridge or the staff but primarily at the minister and the government. As you can probably appreciate, Mr. Chairman, I do not share the enthusiasm and the somewhat Pollyanna outlook of the Minister of Northern Affairs (Mr. Bernier). My opening statement will be short, because I want to deal with many of these items under the particular votes.

At the outset, probably the biggest failure of Northern Affairs is that it has not shown much leadership or really addressed itself to its strategy outlined in the briefing book to the members on the 1981-82 estimates, specifically number two on page three: "a strategy to meet the objective of stimulating soundly based economic development and diversification throughout the north." This is where the weakness of the Ministry of Northern Affairs particularly shows up.

The minister, I trust, will come back and tell us, "We have this," and "We have that." Most of what he will tell us he has, would have been developed without any interference or assistance from the Ministry of Northern Affairs.

We still have the same problems we had in

northern Ontario five years ago when this ministry was formed. If anything, they have become worse. We have seen the closure of two mines at Atikokan. We have seen the closure of mines farther north. We see what is happening in the lumber business, in the pulp and paper business, and even in the tourism business, because of the policies of this government.

What we have not seen in northern Ontario is any kind of comprehensive economic planning to do what is suggested under the minister's mandate: to diversify the economy in northern Ontario. We are still producing raw resources from the forests, we are still producing some minerals from the mines, and we are still dependent on a tourist industry basically for our employment.

What we still have, and we have fewer of them every day, are one-industry towns based solely on the extraction of forest or mineral products or on tourism. There has not been any addition to that economic base or diversification to ensure the stability and continuity of those communities.

Last year, during consideration of the estimates of the ministry, I asked what the program analysts were studying in the ministry; I asked what we were spending our money on. The minister promised he would send me a list of studies that were being done by that group. This is about a year later, and I have yet to receive that list of ongoing studies.

While a lot of these things the minister has outlined in his opening statement are very interesting and are helpful, they do not deal with the fundamental problem of northern Ontario; that is, the stability of the region, the opportunity for jobs which comes with the diversification of the economy, and getting away from the one-industry-town syndrome.

Almost everything that happens in our communities up there is dependent on that one very fact. We have difficulty attracting professional people such as dentists, doctors and so on to a number of communities, because they see them as one-industry communities in which that resource is going to be gone one day, particularly under the policies of the present government, and they are going to have to pull up and move somewhere else.

Until we can diversify the economy of those towns and make sure they are not dependent on the pulp and paper industry, iron mining, gold mining or tourism, then these problems, which the minister has tried to address and which he addresses only peripherally through his ministry, are never going to be dealt with.

The minister brags about what he has done in terms of northern Ontario through some of these programs. I warn the minister again, and I think he knows, that I am one of the few who really wants to know what is happening to the money that we are spending.

It is interesting that in the 1980-81 estimates, the ministry spent roughly \$157 million, and this year we are spending \$156 million, a decrease of around \$1 million, which indicates the budget is going down, rather than up.

What also concerns me is this old shell game that we play in this Legislature, at which the government has got so adroit. It appears to me, quite frankly, that they use the Ministry of Northern Affairs as sort of the guinea pig in shuffling government funds around. They took that little example they have been so successful with and built it up into the Board of Industrial Leadership and Development program, and said, "My God, it worked in northern Ontario through Northern Affairs; we might as well snow the whole province with it."

If one looks at the budget of the Ministry of Northern Affairs, I warrant to this day that three quarters of it comes from other ministries or is money that is in other ministries' budgets and then flows through to Northern Affairs. For instance, Northern Affairs says to the Ministry of Transportation and Communications: "Build some roads over here. You design them. You tell us what the alignment is, and we will give you the money back."

It is a shell game. It is a real shell game, because we have these two shells.

Mr. Laughren: Shills.

Mr. T. P. Reid: Well, we have more than two shills. We have about 27 of them.

We have this little game: Now you see it, now you don't, because most of this ministry's budget came out of other operating ministries.

Mr. Laughren: Can you see Leo under a shell?

Mr. Wildman: Come on, Leo, come out of your shell.

Hon. Mr. Bernier: Under Sunoco, not Shell.

Mr. T. P. Reid: He looks like a mushroom; so maybe he should be under something else.

We have heard this criticism before, and I suppose it is still as valid as it was at the beginning. In fact, what we have done is we have reduced the budget and the amount of money that was available to the Ministry of Northern Affairs or to the programs for the people in northern Ontario. We took them out of the operating ministries, put them in Northern

Affairs; then we hired a bunch of civil servants to look after or pass on the examples and programs that had already been in effect.

3:50 p.m.

The shell game cannot go on, because we are not getting value for money out of this proposition. I hope, by the way, the minister will discuss the change in his northern economic development budget and his community services development budget. There has been a fundamental shift there, and we do not know whether the program has been absorbed into the northern economic development situation or whether the northern community services development has been downplayed to the extent it has.

The minister was proud of the results of what he has done in the last year. For his information, I recommend that he read the criticisms and comments of the Provincial Auditor which he will find on page 49 of the auditor's annual report in regard to the administration of Northern Affairs and the fact that it was well over budget on a number of projects.

It does not indicate to me or anybody reading it that there is a real commitment in that ministry to efficiency in government and getting value for the money and dollars spent. Three projects are outlined that went way over budget. Of course, what that means is there is no money available for other projects in this coming year, such as the water system in Fort Frances which is badly in need of assistance and which the minister, I trust, will respond to a little later on.

Hon. Mr. Bernier: Schreiber beat you out.

Mr. Stokes: We know where the priorities are.

Mr. Laughren: It's that watershed in Hudson.

Mr. T. P. Reid: You guys are not going to gang up on me, are you?

I have a number of items here, but I also want to talk about where I see the lack of northern input into the policies of the province. The minister has talked about these matters, but I find it difficult to believe him or agree with him when I see so few results. I do not see any results in the diversification of the northern economy. We are still basically hewers of wood and carriers of water.

I do not see any improvement in what is going on in the conservation of our resources, and by that I mean their wise use in northern Ontario. To this day I still see us giving away our natural resources of fish and game to nonresidents who can come up here to hunt and fish. Tourism probably is our second largest dollar earner,

although not our biggest employer, in northern Ontario. We are trying to stimulate the tourism component of our economy and yet, at the same time, the government allows these people what in effect is a free ride.

The other thing that really concerns me is the opportunity we have had in northern Ontario which the minister has let go. He let it go only a week ago. I want to congratulate the Minister of Northern Affairs and the Minister of Energy (Mr. Welch) for what I consider to be a good symposium on peat resources held in Thunder Bay less than two weeks ago.

I must say I was not happy with the summing up by a Ministry of Natural Resources person who was less than optimistic that anything was going to happen. He has been around this government much longer than I have, and maybe he knows better than I do that there is not going to be any stimulus and that there is not going to be any real government involvement in the development of alternative energy resources, in particular peat, in this province.

The minister and others have said that if we used all the peat in Ontario there is a possibility, according to the study, that those resources would replace something like 72 billion barrels of oil. That boggles one's mind. I do not think anyone here can even grasp what that means. The report suggested that would involve using almost all the peat in this province.

But even if we started to develop that resource on a much smaller scale, the possibilities of producing gas from peat, of producing briquettes and other enterprises, could be phenomenal. It is a resource that is indigenous to northern Ontario particularly. As a matter of fact, Mr. Chairman, as you are undoubtedly aware, Ontario alone, after Russia, probably has the second largest peat resources in the world.

We have a resource that we could develop in northern Ontario particularly, but for the benefit of the province. Yet the government is putting little or nothing in the way of resources towards this. I understand there is some agreement, perhaps under the northern Ontario resources transportation agreement with the federal government, that \$50 million may be available if somebody comes up and says, "We have a program." That was hinted at.

But I believe there is an opportunity here that has wide-ranging consequences for a lot of communities in which they could diversify their base. If they were to use this peat, it would also give rise to intensive farming in northern Ontario after the peat resource has been used

up. Yet what do we hear from the Minister of Northern Affairs? He hardly referred to it in some 78 or 80 pages, when this is a golden opportunity, a fantastic opportunity, to do something in northern Ontario.

We have had the peat symposium. By the sound of it, that is the end of government involvement.

Mr. Laughren: Do you think the government should be involved in this?

Mr. T. P. Reid: Yes, I do.

Hon. Mr. Bernier: If the member had been here on Friday, he would have heard me comment on peat.

Mr. T. P. Reid: Unfortunately, I was meeting with the hog producers and the camp owners. I could talk to the members about that for about 10 minutes if they would like to hear about the hog producers' problem.

What is the minister doing about the hog producers in northern Ontario? Now that it has been mentioned, I will tell the minister what their problem is. They are not being dealt with by the Ontario Pork Producers' Marketing Board; they are not in it because of provincial legislation and, if we get supply management of hogs in this province, they are going to be left out of it.

So I say to the minister, who comes from northern Ontario and who is responsible for northern agriculture, I will send him a letter, as well as one to the Minister of Agriculture and Food (Mr. Henderson). I hope we can do something for these people.

As a matter of fact, I am sure the minister will get involved in this one, because he has a couple of hog producers around Dryden. One always get the minister's attention when the problem is also in his own backyard. However, he is not a producer any more.

Mr. Chairman, since we are talking briefly about agriculture, the recent study of energy in the agricultural field, a very glossy production that was tabled in this House just a week ago, also stated very clearly that northern agriculture should be given a big boost and that we could expand northern agriculture.

The minister has said very little about northern agriculture, certainly in his opening remarks, and we hear very little coming from his ministry in this regard. I say there is a fantastic potential again in northern Ontario, particularly in the Rainy River area, somewhat around Dryden and certainly in northeastern Ontario, for a much more diversified, dynamic and stable agricultural community.

I do not want to suggest that all is "want, want, want" and that we are demanding a whole list of things. What the people of northern Ontario are looking for is some direction and guidance and assistance, but the minister says in his remarks that basically they would rather do things themselves.

4 p.m.

The world has changed considerably. If we are going to put up a peat demonstration plant or something like that, the technology to do it—leaving aside the question of the dollars—is much more complex than it might well have been a few years ago. There has to be a direction provided by this ministry, and there has to be an overall development plan to diversify the economy, as I said at the outset. We have several examples, of agriculture, peat, lignite and a whole number of things, where development can take place if we can get some direction from the government and the ministry in these matters.

The minister is quite proud of coming from northern Ontario and being the Minister of Northern Affairs. I wonder how he squares that with the fact that at the Ontario North Now pavilion at Ontario Place—maybe the minister can correct me if I am wrong—very little recruiting was done this year for people or students from northern Ontario to work at the pavilion. As I understand it, most of the people hired to work there this summer came from southern Ontario. Here again we have the classic problem of something concerning northern Ontario where someone from southern Ontario is getting the job. That seems to be the fundamental wheel that keeps turning, in that we have the resources but somebody else is getting the benefit of them.

I also have some things to talk about in terms of northern transportation, community services and so on, but I think I will wait until we get to the particular votes to discuss some of the matters in detail. As I said before, I hope the minister will have his officials ready with an understanding of how this money breaks down and what programs it is in. I particularly want to go over again—I say this so they will be prepared to understand—what the analysis and planning group that spends almost \$1 million is actually doing.

There is an opportunity here that we have still not grasped in terms of this ministry. We are often too busy doing a public relations job, and the minister has become an expert at that; but we are not grappling with the really hard problems facing northern Ontario in terms of

the economy and job opportunities we are going to see. I hope we will spend some time dealing with that matter in the estimates.

Mr. Stokes: Mr. Chairman, the first thing I want to do in dealing with the estimates of the Ministry of Northern Affairs is to add to those sentiments expressed by the minister and the member for Rainy River concerning the pending retirement of the deputy minister, Arthur Herridge.

I had the pleasure of working closely with Art almost since I first came down here 14 years ago, and he served with dedication and distinction wherever he was called upon. I think it is fair to say that this ministry has been particularly well served in having the calibre of personnel in the position of deputy minister, first of all by Tom Campbell, who was a northerner hailing from Chapleau, and then by his successor, Art Herridge.

Regarding the emphasis that has been placed on the north and its problems, I want to quote something said by the minister in his opening remarks, that Mr. Herridge was trying to bring government a little closer to the people in the north to overcome the feeling of alienation many residents of the north have experienced because of the geography and the great distances to be spanned and the lack of accessibility to many government programs and to the personnel responsible for carrying out those programs. When I hear a deputy minister saying that, I realize that he at least knows what the mandate is, recognizes what the problems are and to a large extent has dedicated himself to bridging that gap between the bureaucracy down here and the north itself.

I can remember one occasion, when Mr. Herridge was serving in another capacity, on which I had the pleasure of addressing the faculty of forestry at Lakehead University in Thunder Bay. I was particularly irate at the inability of some civil servants down here to come to grips with problems relating specifically to forestry. Perhaps I spoke a little unkindly on that occasion, but I did so deliberately and I make no apology for it.

I said, "The people in the ministry who are responsible for forestry, some of the people in industry who are responsible for forestry and certainly people in the academic community would do just fine if the bureaucrats and the mandarins down here at Queen's Park would only leave them alone."

I know Mr. Herridge took umbrage at that comment. He came right over and said, "I hope

you did not put me in that category." I do not know whether I said, "Well, Arthur, if the cap fits, wear it." All I know is that since he has moved to the Ministry of Northern Affairs that has not been the case, if it ever was.

So I want to join with the minister and the member for Rainy River in wishing Arthur well in his new activities. I happen to know what they are, and I say to you, Arthur, that it is like jumping from the frying pan into the fire, because if there is a segment of industrial enterprise in northern Ontario that is more of a hot seat than the one you are going to, I do not know what it is. I do not know that you are going to be able to solve the problems of the sawmill industry; all I know is that from my perspective it will be the most onerous challenge you have ever accepted.

I am sure the minister is well aware of the problems facing the sawmill industry in the area of Hearst, and they have nothing to do with the economic slowdown and the lack of markets for lumber at this time associated with the slowdown in housing construction that has been caused, in large measure, by high interest rates. But I can see a real crisis coming in that segment of the forest industry in northern Ontario if we do not get a handle on it; this is something my colleague the member for Nickel Belt (Mr. Laughren) will be discussing with the Minister of Natural Resources a little later this week.

What has happened to the economy of Atikokan because of the closure of those two mines, which the member for Rainy River has spoken about, will pale next to the results of inadequate sawlog supplies to a lot of communities like Chapleau, Hearst and Dubreuilville. To a large extent, even the city of Thunder Bay is going to feel the pinch because of integration in the forest industry.

4:10 p.m.

There are the major licence holders, such as Great Lakes, Abitibi and Kimberly-Clark, that have complete vertical integration. They have complete utilization of the entire tree. Whether it be for sawlogs, veneer, pulp and paper or particle board, they are using the entire resource to a much greater extent than ever before. Their ability to share with others, particularly the small sawmill operators, is becoming much more unlikely as time passes.

That is why I think this ministry has to address itself to those very basic and fundamental questions. The minister took several pages of his opening comments to remind us that this ministry is the facilitator; it is the one ministry

that co-ordinates the activities of all of the ministries that have any reason for being in northern Ontario.

If we are going to get a handle on economic development to improve the opportunity for secondary and tertiary industries based on the resources that we have in such abundance, this minister is going to have to prevail upon his cabinet colleagues, beginning with the Provincial Secretary for Resources Development (Mr. Ramsay) and the Minister of Natural Resources (Mr. Pope).

It should not be any revelation to the present Minister of Northern Affairs: he was there. I hope I am not being too unkind, but I think it is as a result of the rose-coloured glasses and the blinders that this minister had on when he was the Minister of Natural Resources that a lot of these problems still persist in northern Ontario at the present time. They are much more acute than ever before; that is why I think this ministry and this minister has a double responsibility, because the minister knows what the problems are. He has been there.

We are not going to be able to preserve the quality of life as it exists today, or even build upon it, unless in a very real sense one of the senior cabinet ministers impresses upon his colleagues the need to build upon the traditional economic base. This has to be done if we ever hope to aspire to the kind of economic development, the kind of diversification, an industrial strategy for the north that will be meaningful, productive and long-lasting. That will not happen unless this minister and this ministry play a very key and a very pivotal role in co-ordinating that kind of planning that will bring northern Ontario into the mainstream of Ontario and this country in a social and an economic sense.

I want to pay tribute to the minister and those who are responsible for taking the initiative to provide infrastructure funding in selected areas of the north where the line ministries and their programs are not specifically tailor-made to meet the special and unique problems of providing such basic and fundamental services as water and sewers in many northern communities.

For many years, the line ministry, such as the Ministry of the Environment, has designed programs that in general terms meet most of the needs for most of the communities in Ontario.

Mr. Laughren: Here comes the help. You need it.

Mr. Stokes: However, the minister knows—and if the member for Nickel Belt cares to listen, I am sure he knows too—there are many instances where, because of rock conditions, climatic conditions or a lack of an industrial tax base, it is impossible for many northern communities to aspire to the kind of infrastructure services that many people in southern Ontario take for granted.

This is not to denigrate some of the excellent programs under the auspices of the Ministry of the Environment; but, without additional assistance and funding from the Ministry of Northern Affairs, a good many of the projects we have benefited from in northern Ontario would not have been possible.

I also want to pay tribute to this ministry for its initiatives in the health field. Notwithstanding the fact that we have a health delivery system in excess of \$6 billion in this province, any northern member representing the part of the province lying north of the French River will tell this House that many of those systems and programs are not ideally suited to serve the special and unique needs of people living in remote northern communities.

We appreciate that one cannot have a sophisticated hospital with backup medical and paramedical personnel in every small community or hamlet in northern Ontario. To bridge that gap, the ministry has embarked upon a program of medevac or air ambulance service. This is something I advocated in one of my first speeches here. While I do not presume to take all the credit for it, if one keeps banging away for long enough at something that is useful and worthwhile, it will come about. The ministry is to be commended for the pivotal role it played in the establishment of that program.

I want to refer the minister to an article that appeared in the Thunder Bay Times-News on Wednesday, November 4, 1981, where Dr. Psutka, who is responsible for that program, was explaining it to people in northwestern Ontario. He sees all sorts of room for improvement in the Ontario way.

I do not want to belabour it or to be critical of something that has been under way for the only three or four months. It has had its growing pains, and I am not going to suggest it is not working well. Under the circumstances, I think it is working extremely well. This is the kind of role that is admirably suited to the mandate of this particular minister and ministry.

4:20 p.m.

I also hope the minister will get involved in telemedicine. I think there are some funds in this ministry for that. There is a great potential for bringing small northern communities, hospitals and doctors practising in the north in much closer contact with specialists here in the south by using the telemedicine technology perfected over the last few years. That seems to have hit a snag for some reason or another. I cannot seem to get my finger on the pulse of that. I do not know whether it is another case of the mandarins and the bureaucrats down here getting their hands on it and things grinding to a halt for no apparent reason.

I have talked to Dr. Dyer about this on numerous occasions. He assured me this program was well in hand and things were going along apace. Lo and behold, I got an inquiry from a doctor responsible for the implementation of the telemedicine program, coming down on a plane some two weeks ago, who said: "I am responsible for administering the program and getting it on the rails and keeping it there, particularly for those hospitals along the north shore of Lake Superior and Manitowadge and Geraldton. Would you please find out whatever became of the telemedicine program?"

Everybody was extolling the virtues of that, including myself, but we just cannot seem to get a handle on it. I do not know whether the minister or anyone in the gallery can tell me so I can send that information back. This is another way we can break the log jam or cut the red tape. If we cannot depend on this ministry to do it, who are we going to turn to?

The member for Rainy River is not here now. He is probably out listening to me on the squawk box while he is bumming a cigarette from somebody. He was very critical of this ministry for not coming up with an overall strategy for development. I share that criticism to some extent.

Let me go back and refresh the minister's memory about the way we used to do things in the north under the Treasury ministry when it was responsible for an economic development strategy for the entire province. At that time we had 10 regional economic councils throughout the province. Very few of them worked, simply because they did not have a proper focus, probably because they were not aware of their mandate or perhaps in some instances simply because the economy was working well, particularly down along the Golden Horseshoe 10 or 15 years ago. There was not too much of a meaningful part for those development councils to play at that time.

The minister will well remember the Northwestern Ontario Development Council was working better than any other in the province. Members will remember people like Lachie Philips, who was the general manager of that. They know the part played in that economic development council by some key people in industry and in government, both at the provincial level and even at the municipal level. That was working well; but ministers like Charles MacNaughton, for some strange and crazy reason that was never explained to us at that time, disbanded it. There may have been some real justification for doing that in areas where it did not count too much. But it counted for a lot in northwestern Ontario.

Members can remember they replaced that with a Design for Development. They developed the Toronto-centred region Design for Development. It was said on that occasion that one of the justifications for having a Design for Development for the Toronto-centred region was that they would be in a position to accept the raw materials coming from northern Ontario, whether they be mineral wealth or forestry wealth, which would be shipped down to Toronto for processing to serve the midwestern United States market. We know how well that particular concept sat with the people in northern Ontario, the people responsible for creating that wealth in the first place. That concept went over like a lead balloon and rightfully so.

They came up with a Design for Development for northwestern Ontario, and they outlined a variety of strategies where we would have greater employment in the woods division, we would have greater employment in the mining sector and we would have greater opportunities in the tourist section. The minister, I believe, remembers that well.

When the minister responds to these opening remarks, I want him to point out any sector where this Design for Development, so-called, has assisted the economy of northwestern Ontario one jot. If we look at the statistics of those employed in the woodlands industry, we see that automation and the capital-intensive nature of those operations has resulted in a reduction in the number of jobs in the forest industry. We also have had a reduction in the number of jobs in the mining industry.

I do not know what the figures are in the tourist industry, but we all know that the jobs are seasonal; and you really cannot have a meaningful economic base on something as seasonal as the tourist industry. That is not to

suggest that it is not important in the overall scheme of things. But you cannot build communities around the tourist industry unless you are looking at spending \$25 million or \$30 million to satisfy the needs of a little hamlet like Minaki. That is fine for Minaki, if you are prepared to put in the capital required to provide 100 jobs. But if you want to transfer that concept to every small town, hamlet or community in the north, there is just not enough money to go around; so that is not a viable alternative.

If we are ever going to develop a strategy for development of the north, it is going to have to be because this minister and this ministry are committed to being in the vanguard and doing the co-ordination, whether it is with the Provincial Secretary for Resources Development, the Minister of Natural Resources or the Minister of Industry and Tourism (Mr. Grossman).

4:30 p.m.

I wonder how often this minister takes a step back with the key people in his ministry, like Mr. Herridge, Mr. Morpurgo, Mr. Charlton and Mr. Aiken, when he is not going over to Greenland, Ireland or Scandinavia—perhaps it would be a good idea if he did go over there and took a step back—and ask: “What is the future? What do we see as the key and pivotal role for a ministry like the Ministry of Northern Affairs?”

If he is not going to take a step back and ask himself these very basic questions, I am sure that neither the Minister of Education (Miss Stephenson) nor any of his other cabinet colleagues is going to ask him those questions. How are we going to attract the number of people to northern Ontario that make almost any endeavour viable? Whenever we embark on a program or project, among the first questions we have to ask ourselves are: “Why are we doing this? Will it work? Will somebody benefit? How much is it going to cost us?”

I see the Minister of Education looking up at the clock. I think we should ask ourselves, Mr. Chairman, why we are closing a high school where we have had an existing community since the year 1885.

Hon. Miss Stephenson: It is because we have the same problem in northern Ontario as we have in southern Ontario.

Mr. Wildman: Except you have added distances up there too.

Mr. Stokes: In 1969 and 1970, when the current Premier (Mr. Davis) was Minister of

Education, he brought a bill into this House, Bill 44, which consolidated schools into district school boards throughout Ontario.

Hon. Miss Stephenson: Consolidation of school boards.

Mr. Stokes: That is right. He said this was to improve the equality of educational opportunity and it was designed to better things, not to make them worse. Now we have the Ontario Educational Communications Authority, we have the correspondence branch of the Ministry of Education, we have Telidon—

Hon. Miss Stephenson: And the Ministry of Education is involved directly.

Mr. Stokes: Yes. And she, like Pontius Pilate, is washing her hands of it.

Hon. Miss Stephenson: I am not. It happens to be a local board decision.

Mr. Stokes: That is what I am saying. And the only reason they are making the decision to close the school is that she will not change the formula to make it possible to keep that school open.

Hon. Miss Stephenson: We have already changed that. They have got an additional \$600,000 this year.

Mr. Stokes: They are still going to close the school. I am glad I finally got the honourable minister's attention.

Hon. Miss Stephenson: I have written the member four letters.

The Deputy Chairman: Order.

Mr. Stokes: I still have not got the letters, believe me.

Hon. Miss Stephenson: Well, I have signed them. Where did they go?

Mr. Stokes: I wrote the minister a letter six or eight weeks ago.

The Deputy Chairman: Order. Let us end the dialogue back and forth. There will be an opportunity for discussion.

Mr. Stokes: Come on, we are in committee.

The Deputy Chairman: That is right.

Mr. Stokes: Just calm down. Lean back and enjoy it.

The Deputy Chairman: Well, the chair is in order. You have the floor.

Mr. Stokes: We are talking about the north, and this is the way we deal with things in the north.

The Deputy Chairman: Is that right? Well, you are in the south.

Mr. Stokes: That was an aside, Mr. Chairman. Let us get back to the Ministry of Northern Affairs now that the Minister of Education is going to provide sufficient funding to keep our high schools open.

In line with what I was saying about economic development and the responsibility of this ministry to act in an advocacy role, I think the minister and his ministry should play a more active part in the decisions taken by the Northern Ontario Development Corporation. The minister knows the criteria that are used. I will not call them mandarins and bureaucrats. Some of them happen to live in the north, as you well know—the board of directors. However, the criteria used by the people down here when looking at a given situation quite often almost boggles the mind.

They say: “We think you have an excellent concept for economic development and for job creation. It provides a service, but it does not meet the criteria.” That is for reasons unknown to me or to the applicant. I am sure the minister can point to a good many of them. He knows of a recent one which he said his ministry would have a look at. It had to do with the establishment of an FM radio broadcasting station along the north shore of Lake Superior. If one does not drive the northern highways, one really does not appreciate how important such a communication facility is to people. We have these little radio repeater stations that are affiliates of the Canadian Broadcasting Corporation which have a range of about 10 miles.

If I leave my home town I can get it for about 10 miles. It fades out. I wait and drive another 40 miles. When I get within five or 10 miles of Nipigon I can pick it up again. It does not matter where one travels in northern Ontario. There is no local station one can get from his automobile. There is no local station one can get if one is any more than five or 10 miles away from a community that has one of those repeater stations.

We had an enterprising young gentleman from Marathon who spent a lot of his own money to see whether there was a market and whether it met with general approval. Everybody was agreed it was a useful thing to do. When Thunder Bay Electronics came to this government and asked for \$666,000 for the rebroadcasting of CTV out of Thunder Bay, at that time 50 per cent of anything like that was forgivable. That worked and it worked well for anybody who got it.

But when we asked for a modest amount of

money for an FM station that would serve communities such as White River, Manitouwadge, Heron Bay, Marathon, Schreiber, Terrace Bay, Geraldton, Longlac, Caramat and Hillsport we heard, “It is a good idea but we do not think it is a viable operation.”

This government calls itself the champion of free enterprise. We can hand out hundreds of millions of dollars to the pulp and paper industry. We can hand out hundreds of millions of dollars to buy a piece of the action in Suncor, but when we get somebody who has a well developed plan and all they need is a little bit of help, they say “Sorry, it doesn’t meet our criteria.”

4:40 p.m.

I am convinced this will work. I have faith in the guy and you have to have faith in small entrepreneurs who come up with technical knowhow, the imagination, the drive and the initiative to get something done. When he went to the Northern Ontario Development Corporation they said: “Sorry, it doesn’t meet with our criteria.” I am not blaming your ministry because I know your ministry went to bat for us, but it still didn’t turn the tide.

That is why I am suggesting that just maybe we should be looking at NODC as an emanation of the Ministry of Northern Affairs, not the Ministry of Industry and Tourism. That is how much confidence I have in the ability of this ministry to be much more sensitive to the needs of the people in the north and take a chance once in a while.

Mr. T. P. Reid: And how little you have in the ministry of tourism.

Mr. Stokes: That is right. I didn’t want to say anything when he wasn’t here, but now that I have his attention, I’m not going to be a bit backward about saying something when he is here. I want to remind the member for Rainy River that we have another program where entrepreneurs must go before approaching NODC for funding. It is called the Federal Business Development Bank.

Mr. T. P. Reid: Boo.

Mr. Stokes: I am glad to hear you agree with me because the last time I heard about them they were foreclosing on somebody who ran into hard times because he couldn’t retire the capital and his interest was at 26 per cent. This is a federal government agency, asking somebody trying to get started in a worthwhile enterprise in northern Ontario to pay a rate of 26 per cent.

The member for Rainy River doesn’t have to

respond but in terms of an economic strategy for northern Ontario, where is the federal government in all of this? We have wall-to-wall Liberals in all of northern Ontario at the federal level. We don't see anything emanating from any of the programs in Ottawa that serve any useful purpose.

Mr. Haggerty: Federal grants given to the pulp and paper industry in Ontario.

Mr. Stokes: We are losing jobs as a result of that. I have already spoken to that.

Mr. T. P. Reid: That is the minister. That is what he tells them we need. That is what Leo tells them we need.

Mr. Stokes: We are losing jobs. I have already covered that. I am saying if there is a collective and a joint responsibility in northern Ontario, I think the federal Liberals as well as the provincial Conservatives must share the responsibility for getting northern Ontario—

Mr. T. P. Reid: They are in bed together often enough. I don't know why they don't talk to each other.

Mr. Wildman: What do you mean? The federal Liberals gave us Via Rail cutbacks.

Mr. Stokes: All I am saying is I want to put it in perspective. You have the northern Ontario rural development agreement program there. I put a couple of ideas in. I have had no response. I am told there are several programs that are before you people now, you are assessing them and hopefully something will come of them. You have the Department of Regional Economic Expansion Ontario program where we are building roads to resources in the north, to provide better access for utilization of our wood products, to provide better access to all of the resources we have in abundance. But the bottom line is that we are losing jobs in the forest industry and we are losing jobs in the mining industry.

The Design for Development that was going to be the set piece for development in northwestern Ontario didn't work. I challenge the minister to pull anything out of that Design for Development in 1970 or 1971 and to point to it with pride. That is not to take away from what this ministry is doing in a narrow and confined sense. All I am saying is there is a real opportunity for this minister and this ministry to fill that void, to be the catalyst, to take the bull by the horns or take the member for St. Andrew-St. Patrick (Mr. Grossman) by the ears and tell him a few things about economic life in northern Ontario.

I want to speak about the Royal Commission on the Northern Environment, a commission set up four years ago under the chairmanship—or the commissionership—of Justice Patrick Hartt. He stayed there for two years and for reasons better known to himself than anybody else decided he did not want to do that any more and resigned. The Minister of Northern Affairs, I think—he can correct me if I am wrong—had to find a replacement. He nominated a northerner, who has occupied that position for something in excess of two years.

Mr. T. P. Reid: Are you sure he didn't resign too and didn't tell anybody?

Mr. Stokes: I will leave that for the member for Rainy River.

We do know this commission has been in existence for more than four years. It was set up to address itself generally to the environmental concerns of people in northern Ontario under the auspices of the Ministry of the Environment. It was set up because there was a good deal of dialogue—some pro and some con—as to whether this government should put the last 19,000 square miles of boreal forest into the hands of Reed Paper, as it was at that time. It was a very emotional issue. There were a lot of people who said, "Sure, just give it to them and let them carry on in the way they have been used to—exploiting the boreal forest" and others who said: "They should draw back since this is the last 19,000 miles that is not under license to some company. It is a very special kind of ecology up there, sometimes very fragile. Anywhere from 40 per cent to 60 per cent of the timber values are on very shallow soil. We should step back and take a look at what values are there before we decide how we are going to dispose of that." That was the scenario under which the Royal Commission on the Northern Environment was set up.

Four years later, under two commissioners, we have spent close to \$6 million. It has now become the most expensive royal commission ever set up by this government. I do not have to tell the ministry, but I am saying for the benefit of all the members who are in this House, we have people being fired from that commission and we have people quitting that commission because it has lost its focus.

4:50 p.m.

We all know what the terms of reference were. To quote one person who either was just relieved of her responsibilities or quit voluntarily—I do not know; it was never made quite

clear to me—she says, “The commission is suffering from bureaucratic paralysis.” She said, “The reluctance of the commission to start public participation after four years has more to do with bureaucratic paranoia that expresses contempt for the practical common sense of real knowledge of ordinary people.”

She said the commission was putting the cart before the horse by concentrating solely on research before involving the public of the north in the decision-making process.

I have a whole file of sins of omission and commission by the commission on the northern environment and I am not going to bore the committee or members of this House with it. This minister, more than any other in government, has a responsibility to get that operation back on the rails again. It is simply not working. We have too much money invested in that process to let it go down the drain. I do not know whether anything is retrievable with the present personnel there. That is something the minister and his cabinet colleagues are going to have to do a lot of soul searching on.

I think I express the sentiments of everybody in northern Ontario when I say the establishment of that commission and the kind of funding it has made available to a variety of groups and individuals who had some input into this have built up the hopes and aspirations of far too many people in northern Ontario to just let the thing die. Neither should we direct the present commissioner to come in with a fast, pat kind of report that regurgitates everything we know about the north. A survey of a survey of a survey, or a study of a study of a study—those people up there have reports and research documents coming out of their ears.

The present commissioner said it took him more than a year just to wade through what Justice Patrick Hart had collected before him. He is engaged in the same exercise. If you put every member of this Legislature in a room and said, “Now let us go over all of these documents they have amassed over the past four years,” we would spend the next year doing it ourselves. This commission has lost its focus. It has lost sight of its original mandate. I think this minister more than any other has a responsibility to get that operation back on the rails again.

I do not want to be overly dramatic about it. I know this minister feels he and his government have a tiger by the tail. I do not think it is malicious. One cannot afford to be malicious and uncaring about an exercise of this significance and this magnitude. We have got too

much money invested in the process to let it die. I do not think it can be salvaged by existing personnel. I have offered some alternatives to the minister privately about how we can get out of the dilemma and get the thing back on the rails, but he has not chosen to accept this. The people of the north, whether they be from Hudson, Pickle Lake or Fort Severn, expected a lot from this commission and they deserve a heck of a lot more than they are getting.

I want to get on to the Via Rail cutbacks very briefly. I know the minister saw for himself the effects of the Via Rail cutbacks particularly in those areas of northern Ontario where there isn't an alternative, where there are no road systems and no access by plane. I do not know how many people the minister has in his riding but there are places like Fulton, Mud River, Collins and Allen Water along the north line that are going to be completely isolated. All they have is the trains, the Supercontinental that is due to come off—when, Bud; the 16th? They are going to have a rail dayliner two or three days a week.

That is how much our federal government and our federal Department of Transport think about the people who live in those communities and who keep the lifelines open. Those people are there because the Canadian National Railway runs through their community. They are there primarily to maintain the right of way. The federal government allowed our two common carriers, the Canadian National Railway and the Canadian Pacific Railway, to divest themselves of any responsibility for passenger traffic in this country. They set up another arm's length emanation called Via Rail. It took the heat off the two common carriers that were responsible for establishing those communities in the first place, and now the heat is on Via Rail.

You know how cavalier, callous and uncaring Jean-Luc Pepin has been. Talk about arrogance. Everybody used to say Trudeau was one of the most arrogant people on the political scene in Canada. He is a real marshmallow compared with Pepin. Pepin just does not listen to anybody. I do not know what this minister's alternative is to the actions taken by Mr. Pepin in eliminating a lot of these lines. I have sent my own alternative suggestion to Pepin and I received a one sentence acknowledgement that he was looking into it and he would get back to me. The minister has a copy of that. What I am saying to Pepin is, “If you think it is in the national interest to cut out all these unprofitable lines, particularly in areas where there is no

alternative, you, as the government of Canada, have a responsibility to provide an alternative for those people."

I advocated the building of a highway from Nakina over to Savant Lake paralleling the north line of the Canadian National Railway that would serve those communities abandoned by Via Rail.

5 p.m.

You would open up opportunities for tourism. You would assist the prime licence holders for whom roads are being built anyway through the Department of Regional Economic Expansion agreement, whether it is Kimberly-Clark, Abitibi, Domtar or Great Lakes Forest Products, you are helping them to build roads anyway. We are going to have roads in the north coming out of our ears and running north and south serving a single-use purpose. There is nothing to serve people in a ribbon fashion to open up the north. Collectively as taxpayers, under the auspices of the federal and provincial governments, we are spending that money now. I am sure you and I and somebody at the federal level and somebody representing those major licence holders could come up in two hours with a scheme, an alternative, to this unthinking action of the federal government, something that would serve people for a change while helping the corporate sector and the tourist industry.

I have not had a peep from you on it. I sent a copy to the Minister of Transportation and Communications (Mr. Snow), and I have not heard a peep from him. When the Trans-Canada Highway was built it was not built because the 10 provinces on mainland Canada decided unilaterally or without any planning it was a good thing to have a Trans-Canada Highway. There was some co-ordination. Until the late 1950s or early 1960s, 50 per cent of the cost of construction of the Trans-Canada Highway was accepted as a federal responsibility. If it is justifiable for the federal Department of Transport to curtail this service it has a moral obligation to provide an alternative.

This ministry has a responsibility for driving that point home to the federal authorities. I cannot do it alone. If you have a sincere and genuine interest and concern for people living in northern Ontario, unless you can come up with a better plan, you should be supporting the one I put forth. I have not heard a peep from either of you. That is the role I see for this minister and this ministry.

I want to speak briefly about the peat

potential. I have heard we have anywhere from 26 billion barrels, to 42 billion barrels, to 72 billion barrels oil equivalency in peat indigenous to this province south of the frost line. I am not going to argue about the figures. Anybody who knows anything about the resource will tell you it is there, it is substantial and we should be using it. I could give a two- or three-hour speech based on what I learned at the symposium and what I read about it prior to the symposium, and the kind of studies I have done on it since.

I have a proposal in now to Ontario Hydro where Peat Resources of Ontario have identified a bog that is capable of exploitation at this time. The minister knows there is technology, by the use of a dual fuel motor, to use peat that has been gasified in order to propel a motor that will generate electricity.

I have told the minister about a pilot project undertaken by Quebec Hydro on Anticosti Island that is being co-ordinated at the present time. A similar project is about to get under way in northern Saskatchewan at Buffalo Narrows.

I have suggested a town like Armstrong. It does not have to be Armstrong. It just so happens I know more about Armstrong and the resources on its doorstep. I know they are paying 40.5 cents per kilowatt hour for power generated by diesel generators and operated by Ontario Hydro.

There is an alternative resource there. There is a demonstrated need for a cheaper way of generating electricity. I hope we have a group in Ontario Hydro that knows as much about these things and the technology as anybody else. I know we have a program under the auspices of the federal and the provincial governments for energy conservation, for an alternative to oil and gas.

It is specifically designed to foster development and demonstration models by utilizing something unconventional. We would have the equivalent of billions of barrels of fuel oil by the utilization of our peat resources. They are making tremendous strides in Russia, Finland and Ireland, where they have been using this for decades. For some strange reason we, as a province which has that resource in such abundance, think it is useful to spend \$650 million to acquire a 25 per cent interest in a company like Suncor.

I am all for getting a piece of the action, getting a window on the industry, but the thing is we could use even a fraction of that \$650 million to become active in the utilization of peat, an indigenous resource. It is not something in the

high Arctic. It is not in Australia or out in Hibernia on the east coast. It is not in Alberta or up in the Mackenzie delta. It is right here.

What are we doing? We are spending \$650 million on Suncor. I do not know what Suncor is going to do with the money. I am not saying we may not, at some time in the future, get a good economic return. It is probably a good business deal. I do not know. I assume it is. If the analysis done by those whiz kids on Bay Street is accurate it is probably not a bad investment, but it does not do anything for developing resources indigenous to Ontario. That, Mr. Minister, is what you have to convince your cabinet colleagues of.

In the process, you might even look into the technology available for the gasification of that and the possibility of feeding it into the trans-Canada pipeline. Somebody in your ministry told me; let me think, what is his name?

5:10 p.m.

Hon. Mr. Bernier: Hans vonCube?

Mr. Stokes: Yes, talk to him about it. He sees a practical application for using those resources within an economic distance of the trans-Canada pipeline and feeding that right into the line. You are shipping everything else down to southern Ontario. Here is another opportunity to ship an indigenous resource down to southern Ontario after we have satisfied our needs in the north.

The potential is just so great and it really concerns me to see the world passing us by. You see what other jurisdictions are doing with regard to the utilization of peat and you are spending \$650 million on Suncor. You talk about the tremendous wealth of peat that we have. Look at this document. It is an evaluation of potential. You went to great lengths to tell us about it. We know about it. What are you going to do about it? That is what I want to know.

While you are at it, if you ever get serious about development of peat; if you ever get serious about the forest management agreements you see being signed by companies like Great Lakes, Abitibi, and E. B. Eddy; if you want to do something for our first citizens, whether it be in the utilization of peat, these forest management agreements, or whether it be in the looping of trans-Canada pipelines—it is happening in your area, it is happening in my area—whether it is the development of the polar gas line where the Ontario Energy Corporation has a piece of the action, you should build an affirmative action program into all of those contracts.

Another area I want to get into is norOntair. I do not suppose you have anybody here. I think it is an excellent program as far as it goes. I notice the per-passenger deficit has been reduced from \$75 per passenger when it started 10 years ago to \$6 per passenger. I think it is money well spent because if somebody gets on the TTC or somebody gets on the Go train or somebody gets on an airplane, we are subsidizing them in some way. I do not know of any form of public transit, whether it is operated privately or publicly, that actually pays for itself without some kind of subsidy. One can look at Greyhound Bus Lines and say they don't get a subsidy. But they run on our roads and if they had to supply their own right of way I would like to see how they could.

All I am saying is that it does not matter what we do by way of public transportation, we have to subsidize. I think it is legitimate that norOntair gets the same thing. I am going to get back to the minister and say why do we not subsidize the people who are disadvantaged to the greatest degree because of lack of alternative transportation opportunities? He knows who I am talking about.

There are no roads north of Red Lake, north of Moosonee, north of Pickle Lake, and north of Nakina. The minister knows, or perhaps he does not know—well I am sure he knows—even though it does not cost him to fly through the north I know what it costs for anybody else. He should know what those tariffs are. I could quote them chapter and verse but I am not going to bore the committee or the minister with them.

Mr. T. P. Reid: Go ahead. They are too damned expensive.

Mr. Stokes: I took a trip on norOntair from Terrace Bay to Sault Ste. Marie. If you want to take the norOntair flight from there, you do not go directly from Terrace Bay to Sault Ste. Marie; you go from Terrace Bay straight north to Geraldton, pick up some passengers there and you go over to Hornepayne, then down to Wawa and then to Sault Ste. Marie.

For that beautiful scenic tour—it was a beautiful trip in a Twin Otter, a beautiful day and I got an opportunity see those miles and miles of clearcut—

Mr. Kerrio: You could land anywhere.

Mr. Stokes: Yes, all of those prime licence holders. One could even tell whether it was cut in the wintertime or in the summertime by the length of the stumps on all of these. Tremendous.

dous. But it was a beautiful trip. It cost me \$44. If one went to the north and said to some private carrier, "I would like to charter an aircraft for the next couple of hours," you would be lucky if you got it for \$500. We charge ourselves \$44.

But if the minister compares that with what it costs somebody flying north out of Red Lake or north out of Sioux Lookout or Pickle Lake or Nakina or Moosonee and if one goes 90 or 100 miles, he will pay double or triple what it costs to take that little junket I took, courtesy of norOntair and their Twin Otter.

The minister knows that. I think that is the way to go with regard to providing alternative transportation facilities for people in the north. But he ignores completely the people who are the most disadvantaged.

I have written to the minister about it and he says, "It is a very complicated thing because of the sparse population. It does not pay us to run a daily charter into Sandy Lake"—in his riding—"or into Big Trout Lake or Fort Hope"—in my riding. "So we have a thing that gives them some flexibility. Maybe we will put a lot of freight on with a few passengers and the mail. We call it a skid run and we have some kind of deal with air carriers." And somehow they get in and out of those remote northern communities— if they have an airstrip. If they do not, as a good many of them still do not, tough luck. Unless one happens to land on floats in the summertime or skis in the wintertime on the lake.

What is the answer? I think there is room for free enterprise in the north. As a matter of fact, the free-enterprise people provide whatever service is there. But if you are getting \$5,000 or \$10,000 a year working in one of those northern reserves—and that is a fair wage for some of them—

Mr. Kerrio: You cannot afford to fly.

Mr. Stokes: The member knows what it would do to what he and I make and take for granted as a wage. If one gets somebody who might make \$6,000 a year trapping in the fall or in the spring or picking up \$2,000 or \$3,000 a year by commercial fishing or guiding or something like that, we are asking them to pay those rates for the privilege of getting down to visit some place like Pickle Lake or Winnipeg or Kenora or Thunder Bay. And what do we do for those people? Subsidization of transportation is a way of life, but we totally ignore the people who need it most.

5:20 p.m.

I know what the minister has said in the past, and I am saying this response just is not good enough. We have to order our priorities in such a way as to give the greatest amount of assistance to the people who need it most. That is basic.

I do not see anybody here from norOntair, but I want to thank them because they are responsive to specific problems when you bring them to their attention. A Twin Otter can accommodate only 18 passengers, I think, and a crew of two. I had a group of school kids who were going from Pickle Lake to Thunder Bay on a Twin Otter and they were connecting with either Nordair or Air Canada at Thunder Bay to come down to Toronto. They were right in this very building. There was to be an exchange: they were being accommodated down here and another school group from someplace in Scarborough was going to spend four days in Pickle Lake. The only problem was that with the students and the escorts there were 24 in the group. The people on the scene said, "No, we cannot handle this at all. You will have to send some down one day and some the next day and that is the way it is going to be."

I wrote to norOntair, explained the situation to them and told them the people from Toronto were going to face the same dilemma: they would have to go up in bunches rather than in a single group. As soon as I brought it to their attention they said, "This is a problem for us, but we realize it is a problem for those people. We want to serve you: leave it with us and we will do our darnedest to come up with some way of accommodating you." And they did.

That is a service I am sure you would never get in any other way. They were very responsive to us. They did not know how they were going to solve it, but they said, "We have just got to find a way," and they did. I think I have a responsibility to say that in public. I think it is an excellent way to do business, and they are to be commended for the excellent service they are providing. But the minister has a responsibility to allow them to expand their horizons a little bit and, as I said earlier, to assist those who really need it most. If he wants some ideas we can talk about it privately or talk about it when we get into the votes.

One thing I want to talk about is the northern airstrip program—the Highway in the Sky program that was brought in by Irwin Haskett 10 or 11 years ago. It has served the air carriers well, it has served the Hudson's Bay Company well, it has served the Ministry of Northern

Affairs well, it has served the Ministry of Transportation and Communications well and it has served the Ministry of Natural Resources well.

I want to ask this minister how it has served the people it was designed to help. I cannot get a handle on it, because if you ask for a price list for almost anything—whether it be gasoline, staple foods, clothing—anything they have to buy in the north: skidoos, motor boats, oil, gas, they keep going up. They say, “Yes, they keep going up but so does everything else.”

I want you to compare—take a community like Kasabonika. They are flying the equipment in there this winter and they are going to start constructing the airstrip next spring. The last time I checked they were paying \$2.25 for a loaf of bread, \$1.60 for a can of Carnation milk, 50 cents for an apple, 50 cents for an orange, \$5 for a gallon of number two gasoline, and these little cans of naphtha gas they use for their stove or their lighting—they do not have electric power up there either—cost something like \$9.95 a litre. You know how much a litre is. There are about 4.4 of those in a gallon. That is the kind of money they are spending in order to get consumer items into that community that is without an airstrip.

Look at the prices in Sandy Lake, look at the prices in Deer Lake—you just mentioned you had completed the airstrip in there. I find it difficult to decide whether the tens of millions of dollars we are spending on those airstrips are having any noticeable effect on prices. I am sure there will be an effect in Kasabonika, because the prices I have just mentioned there obviously will have to come down—that is, assuming the air carrier will pass the saving on to the store. Because when you build your airstrip, they are going to get in there with a DC-3, which has a payload of about 6,000 pounds, or they are going to get in with a 748 where they can get 10,000 to 12,000 pounds, as opposed to the biggest float-equipped aircraft they can get in there now. That is a Twin Otter on floats with a payload of anywhere from 1,500 to 2,000 pounds, depending on how old the aircraft is. You know that to be a fact.

If you can get in there with a 12,000-pound payload as opposed to a 2,000-pound payload, there is definitely a saving to the air carrier. If the air carrier passes on a fair portion of those savings to the consignee, who in many cases is the Hudson's Bay Company, and it, in its beneficence, passes them on to the consumer,

then some economic benefit is going to accrue to the people whom this program was designed to help.

I am not saying we should stop building airstrips in the north; obviously we cannot stop building airstrips. All I am saying is there should be a monitoring. We have a task force, and I talked to the chairman who is heading it up—somebody in your ministry; to Rudy Wycliffe—two or three days ago. I said, “Have you come to any conclusions as to whether those savings are being passed on?” He said, “No I haven't and it is extremely difficult to get a handle on it.”

I do not want to throw your remarks back at you, but you talked about “the tremendous impact the building of these airstrips has had on those northern communities.” I want you to show me. It stood the carrier in good stead and it stood the consignee, which is one of the largest department stores in all Canada—namely Hudson's Bay—in good stead. But I am not altogether convinced it is helping our first citizens in the far north.

I think we should look at that, because we are helping air carriers, as we should. We subsidize every other known form of transportation, whether it be GO Transit, Via Rail where they have it, all the main carriers, such as Air Canada, CP Air or any air carrier.

5:30 p.m.

If they had to build their own air terminals and all the safety and weather facilities and everything else, I am sure we would be paying double an air fare that is already too high but, believe it, we subsidize them. We subsidize the Toronto Transit Commission to the tune of more than \$80 million a year. It is the proper thing to do. How would one have public transit in Metropolitan Toronto without that subsidy?

All I am saying is, use that same philosophy and apply it up there to our first citizens, the people who really need it most. It is an excellent program as far as it goes, but it does not go far enough.

I would like briefly to speak about the road construction program. We can get into it in more detail. I am not as callous as the honourable member for Rainy River in saying it is a shell game and just a straight transfer of funds from the old ministry to the Ministry of Northern Affairs and back to MTC again. I think this ministry, since it is northern oriented, is the proper vehicle for setting the priorities for maintenance, upgrading and new construction.

My biggest problem is there is never enough

to go around. It is a fact of life. One looks at the road construction program that comes out under the auspices of the Ministry of Transportation and Communications. I am not going to argue about who got what. I have harped so long for something meaningful to be done with Highway 584 between Geraldton and Nakina. The traffic on this highway has increased dramatically with the expansion of Kimberly-Clark's activities in the area.

Nakina does not have a hospital so anybody who takes ill has to be rushed down that obstacle course of 44 miles to the hospital in Geraldton. Every morning, on a daily basis, there is a school bus to transport high school students 44 miles down that obstacle course. There are many mornings in the winter they cannot even make it because, if it is particularly slippery—if there has been an ice storm or something like that—those kids just do not go to school.

I know we have a lot of places to put our money, but with the amount of money your ministry and the Ministry of Transportation and Communications and the old Department of Highways has spent on that stretch of road over the last 20 to 25 years on so-called preventive maintenance, winter and summer, we could have built a four-lane highway with not a turn or a curve in it. We are still killing people on that highway.

I wrote to the Ministry of Transportation and Communications a little over a year ago about the deplorable conditions on that highway. This was based not only on my own knowledge of having driven over it but also from what I was told by people who monitor it on a daily basis. I complained about people breaking springs, losing shocks, running into the ditch, blowing tires and getting broken windshields—all the things that happen on a road as deplorable as that.

Do members want to know the response I got from the Ministry of Transportation and Communications? Their response was, "We have not had any claims for vehicle damage." I said, "Do you mean that if we travel on one of your highways and the condition of that highway is such, we can make a claim against your ministry?" They said, "We have insurance for that sort of thing."

Mr. Wildman: Gee! I put five windshields in my car in the last three years. I should have been claiming from MTC.

Mr. Stokes: I could not believe what I was hearing. I could not believe that they used that

as the criterion for whether or not they should do something about a particular numbered highway in Ontario.

Interjection.

Mr. Stokes: You know what I told my constituents, eh?

The other one is Highway 527. I am not going to go into any great detail with the minister on this. He knows, if he reads his mail. I do not know who reads his mail or who reacts to it.

The minister should just give those two highways the same kind of treatment he is giving the road to Minaki, or the same kind of treatment he gave the road from Fort Frances to Dryden. Is that the Manitou Road?

Mr. T. P. Reid: That is the Manitou Road.

Hon. Mr. Bernier: Pat Reid's riding.

Mr. T. P. Reid: And they say that nothing ever happens.

Mr. Stokes: If the minister gives Highway 527 and Highway 584 that kind of treatment, I will not bore him, this committee or this House with any further talk about it.

I want to refer briefly, and I am surprised that the member for Rainy River did not raise it, to the Atikokan story.

Mr. T. P. Reid: We will get to it if we ever finish.

Mr. Stokes: There is a message there. The author is well known and is a friend to all of us. He does not have all the answers, but I think he is asking the right questions. We can get into that in more detail as we deal with these specific votes. There are a lot of questions there, and I think we collectively, headed by this minister and this ministry, have to address ourselves to this, because we cannot allow the Atikokans to persist. We have an opportunity now. I do not know how much time we have with regard to Pickle Lake, for instance; that is a pretty dicey situation, and I do not know whether we have much lead time.

Mr. T. P. Reid: Or Ear Falls.

Mr. Stokes: Or Ear Falls or Manitouwadge. Right now it is certainly the most lucrative base metal operation in the Noranda family and perhaps anywhere on the North American continent. But it is a finite resource, and every time we take a ton of ore out of the ground we are that much closer to the day when we have to find an alternative. It is the largest community, and one of the most beautiful, in the riding of Lake Nipigon. I will not be around here to see its demise, but unless we approach problems like

that now, well in advance, we are going to face the same dilemma we did, and the member for Rainy River did, with regard to the Atikokan story.

I do not think we can sit by and wring our hands. We have to come up with alternatives now so that when the fateful day comes that they take the last spoonful of ore out of the ground we have something to put in its place. The day has long gone when we can walk away from millions and millions of dollars invested in schools, hospitals, roads and water and sewage plants, all the things we spend our money on, whether we are individuals, small businessmen, large corporations or two or three levels of government.

We have to find an alternative to those one-industry, single-company towns. We are broadening the base a little in Manitouwadge, because of Ontario Paper's activities there since we have finally convinced American Can they should use it as a dormitory community. We are going in the right direction, but this is a problem of development in northern Ontario that we cannot afford to ignore because it could happen to too many communities, particularly those whose problems relate to the dependence on sawmills.

5:40 p.m.

The minister and his deputy know what the not-too-distant future holds for those communities that are wholly and solely dependent on the sawmill industry. Whoever is here four or five years from now will be standing right where I am, saying: "What did we do wrong with the forest industry? Why could we not find the sawlogs necessary to keep Hearst, Chapleau, Dubreuilville and Longlac going?" We will have to answer for that. We cannot afford to ignore those kinds of problems. We can get into them in more detail later.

I have gone on longer than I expected to or should have, but northern affairs is a subject very near and dear to my heart. In closing, I want to say the minister is on the right track. I do not know of anything he is doing now that is counterproductive, that we should not be doing or that he should be getting out of. It is a question of putting more funding into things that work well. Not only should the minister take the lead in the north but he should also take the lead in the south, because that is where the bucks are.

We must convince these Jaspers down here that what the government is doing in the north is fine and dandy, and we just need more of it. If

we can, we should get the attention of people down here of people like the Minister of Education, who looks at things from a very pragmatic, very impersonal kind of way. She knows how many students are out there. She knows how many dollars she has, and she just throws it up in the air and says: "What you catch is yours. What falls on the ground—" I do not know how she thinks. All I am saying is that the minister should not let them close any of our high schools.

Hon. Mr. Bernier: Mr. Chairman, I do not normally have my deputy minister sit in front of me, but on the occasion of his retirement as I go through the estimates of my ministry I would like Mr. Herridge to join me on the floor of the Legislature. He has a wealth of knowledge and a background on northern Ontario issues and problems which equals that of any of us from northern Ontario. It is with pleasure that I ask Mr. Herridge to join me. I know that from time to time he will call on some of the other experts within the ministry.

I want to thank the member for Rainy River (Mr. T. P. Reid) and the member for Lake Nipigon (Mr. Stokes) for their support for the ministry in general. I sense a satisfaction in their remarks. I have to agree with both of them when they say that basically we are on the right track, but there is not sufficient funding to support some of our desires. I share that view on some occasions.

My colleagues in cabinet know how I feel about some of the funding we all share in. We all have certain parameters to live within. Nevertheless, it is the strong support that I do get from my northern colleagues on both sides of the House, not only the member for Rainy River and the member for Lake Nipigon but also my parliamentary assistant, the member for Fort William (Mr. Hennessy)—

Mr. Stokes: What does he do?

Hon. Mr. Bernier: What does he do? I am glad he is here. He is one of my strongest supporters. He is very supportive. He spends a lot of time in my office. We discuss—

Mr. Stokes: Just do not follow him.

Hon. Mr. Bernier: I cannot. I cannot keep up to him, he moves around so fast and so well throughout northern Ontario. In his role as parliamentary assistant, he is becoming extremely familiar with all parts of northern Ontario. I want to say publicly how much I appreciate his strong support for the policies and programs that we jointly come together with in our

ministry. It is with a great deal of pride that I have my parliamentary assistant here with me, because he is doing a great job, not only on behalf of the Ministry of Northern Affairs but also on behalf of the Ontario government.

Both of the members who spoke mentioned the industrial development strategy, in that there was a lack of an overall, clear-cut strategy for economic development across northern Ontario.

Mr. Kerrio: Clear-cut. That is a good word, Leo.

Hon. Mr. Bernier: Clear-cut; whatever it is.

I want to refer to some of the comments that I believe the members have in their briefing books. I think it is worthy of mentioning, where the actual strategies of the ministry are laid out in detail.

I want to put on the record some of the objectives that we have, and I refer to page three of the report in the briefing books, titled "Strategies of the Ministry of Northern Affairs." I suppose I could put on the record three areas that we zero in on, with some brief comments about them.

"1. A strategy to meet the objective of ensuring that policies, programs and priorities throughout government, as they affect the north, are appropriate to the north." I think that is most important.

In addressing this objective, we must, and we do, try to:

"(a) Maintain effective liaison with appropriate officials throughout the government of Ontario and other levels of government." Not only do we move around to other ministries, but also we try, and sometimes not as successfully as we would like, to work with other levels of government. I refer to the federal government, because our co-operation and level of assistance with the municipality is excellent. We have an excellent rapport with all the municipal governments in northern Ontario that we serve.

"(b) Participate in government and interministerial planning and advisory committees, task forces and study groups." And we are there on a regular basis.

"(c) Prepare ministry positions with respect to policy issues coming before cabinet, its committees and secretariats."

My regional staff in the Toronto office spends a lot of their time just reviewing the various policies and programs of other ministries. They are certainly very helpful in the weekly cabinet and committee meetings that we have in prepar-

ing a northern Ontario focus on all of the policy papers that come to the cabinet committees on resource development, social development and justice.

In fact, as members know, my regional staff even monitor the minutes of Management Board of Cabinet, because I, as the Minister of Northern Affairs, am a member of that board; it takes a great deal of time and effort, and I must say that they do a tremendous job.

I want to mention one person, Dorothy Templeton, who co-ordinates all of this in the ministry. Dorothy Templeton has been with the government for a considerable time and has a very deep knowledge of the functions of government as a whole; she does an excellent job of pulling together all those position papers.

"(d) Take appropriate action in concert with other ministries or independently to bring about needed changes." I think both members will agree that over the past four years they have seen this happen in a number of different areas.

5:50 p.m.

Mr. T. P. Reid: Give us some specific details. Give us an example.

Hon. Mr. Bernier: I guess the air ambulance is a good one. We had an excellent land ambulance operation through northern Ontario. We prevailed on the Ministry of Health. We said: "The need is much greater than land ambulances. We have the far-flung communities of Sandy Lake and Big Trout Lake; we have emergency problems there. The idea of dedicated aircraft throughout the north is something we think should be in place." The obvious comment that came back was, "It is a great idea."

Mr. T. P. Reid: Who is going to fund it?

Hon. Mr. Bernier: Who is going to fund it? We sat down with the very co-operative Minister of Health and his deputy minister, Mr. Campbell, who is very familiar with northern Ontario, and we worked out a cost-sharing arrangement to get the program going. That is one example of how we have brought in change. There are many more I could recite.

"(2) A strategy to meet the objective of stimulating soundly based economic development and diversification throughout the north.

"In addressing this objective, the Ministry of Northern Affairs acts as advocate, co-ordinator and as an originator and implementer of programs. As advocate, its strategy is to:

"(a) determine and identify northern eco-

conomic needs, aspirations and opportunities;

“(b) review, monitor and evaluate existing government programs of economic development;

“(c) establish clearly defined positions and viewpoints on questions of economic development, based on its special knowledge of the north; and

“(d) provide for research to identify local and sectoral economic opportunities and to establish economic development strategies.”

That gives members some background on our thrust with regard to that particular area.

“As co-ordinator, [our] strategy is to:

“(a) act as a catalyst and facilitator in other ministries’ efforts to modify programs to meet northern economic circumstances; and

“(b) facilitate the efforts of other ministries to resolve conflicting or competing objectives, to eliminate program duplications and to achieve more effective interministerial co-operation.”

Mr. Stokes: How does it apply to the Ministry of Industry and Tourism?

Hon. Mr. Bernier: Let me look at Atikokan. Both the member for Rainy River and the member for Lake Nipigon touched on the Atikokan story. I think what I have just spelled out in our strategy applies to the Atikokan situation, where we saw a single-resource community, a nonrenewable resource community, on the verge of moving out. I believe there were some members who said there would never be an ongoing Atikokan, if I remember correctly.

Mr. T. P. Reid: It was not the member for Rainy River.

Hon. Mr. Bernier: No. It was the present member for Cochrane North (Mr. Piché), I believe, who appeared on a local television show and categorically said that when the iron ore is exhausted, that could spell the end of Atikokan.

I arrived in Atikokan the very next day, and I said very bluntly and proudly that there will always be an Atikokan, just as the member for Lake Nipigon knows there will always be a Savant Lake, an Allen Water and an Armstrong. One does not wipe those communities off the face of the earth. They are there and we are responding to that.

At Atikokan, we moved in with a lead ministry concept, a new thrust to that particular area. The reeve of Atikokan at that time and the council were searching for some direction. They were in trouble. There is no question

about it. They did not know where to go. They could see the complexities of the Ontario government, the various levels of bureaucratic red tape they would have to go through in 26 different ministries. They just threw up their hands in frustration, saying: “We could not achieve what we wanted to achieve. Please give us some help to walk us through that maze.”

We did. We moved in there. We accepted by cabinet order, by order in council, to undertake the lead ministry role in the Atikokan situation and to look at all aspects of guaranteeing that there would be a long-term viability of that community. It has worked. There is no question about it. I am sure the member for Rainy River will agree with me when I say, with a great deal of pride, that the Atikokan situation is something we can look back on and say we have accomplished something.

Many members have expressed concern about single-resource communities. What is the future for these single-resource communities, in particular the nonrenewable-resource ones? I do not have the same concern for the renewable resource communities, like the Hudsons, that depend on the wood resources of this province. I have a concern, but it is not as serious as my concern for the nonrenewable resource communities like the Manitouwages and the Kirkland Lakes. They have a completely different situation, as we will see in Pickle Lake.

I hope we will be designated as the lead ministry in Pickle Lake, because I think we can play a role that is different. I think we can extend the sensitivity that is so important in dealing with the various levels of government, and carry that sensitivity down here.

Mr. Stokes: You mentioned “sectoral opportunities”. That escaped me. What did you mean?

Hon. Mr. Bernier: In what context did I mention that? I will find it here. I will certainly get back to it, Mr. Chairman.

If I can carry on with the Atikokan situation, I want to point out that the success of that story was a result of working very closely with other ministries; we worked in close liaison with the municipality in walking with the municipality through the maze of government to get the full co-operation and attention of other ministries.

Mr. T. P. Reid: You had a good man in Allan Moon.

Hon. Mr. Bernier: Yes, we did. And I take my hat off to Allan Moon. I am sorry that he—

Mr. T. P. Reid: He quit.

Hon. Mr. Bernier: No. He has taken a one-year sabbatical leave, and I hope he will be back.

In our efforts on behalf of Atikokan we dealt very closely with the Ministry of Natural Resources and with Pluswood in getting them to expand; that was something that was very real. We worked very closely with the Ministry of Natural Resources in regard to their geological surveys, the airborne surveys that attracted a lot of

mineral attention to the Atikokan area. We also worked very closely with the Ministry of Industry and Tourism in setting up an industrial park and a small industrial mall that is now coming well into being.

The Deputy Chairman: The minister will be watching the clock because, when we do resume, we want to begin on vote 701.

On motion by Hon. Mr. Bernier, the committee of supply reported progress.

The House recessed at 5:58 p.m.

CONTENTS

Monday, November 9, 1981

Oral questions

Davis, Hon. W. G., Premier:

Constitutional package, Mr. Foulds, Mr. Smith. 3299

Drea, Hon. F., Minister of Community and Social Services:

Day care, Ms. Bryden, Ms. Copps. 3304

Elgie, Hon. R. G., Minister of Labour:

Workmen's compensation, Ms. Copps. 3305

Grossman, Hon. L. S., Minister of Industry and Tourism:

Canadian Admiral, Mr. MacDonald, Mr. Peterson. 3302

Tourism sales tax exemption, Mr. Eakins. 3303

Norton, Hon. K. C., Minister of the Environment:

Liquid waste disposal, Mr. Smith, Mr. Worton. 3295

Snow, Hon. J. W., Minister of Transportation and Communications:

Transportation of nuclear material, Mr. Foulds, Mr. Riddell. 3297

Stephenson, Hon. B. M., Minister of Education and Minister of Colleges and Universities:

Funding for education, Mr. Wrye. 3301

Wells, Hon. T. L., Minister of Intergovernmental Affairs:

Confidentiality of medical information, Mr. Smith, Mr. Breaugh. 3296

First readings

Bankfield Consolidated Mines Limited Act, Bill Pr9, Mr. Robinson, agreed to. 3306

Greater Niagara General Hospital Act, Bill Pr24, Mr. Kerrio, agreed to. 3306

Committee of supply

Estimates, Ministry of Northern Affairs, adjourned. 3306

Other business

Availability of reports, Mr. Wrye	3295
Availability of reports, Miss Stephenson	3305
Recess	3331

SPEAKERS IN THIS ISSUE

Bernier, Hon. L.; Minister of Northern Affairs (Kenora PC)
 Breagh, M. J. (Oshawa NDP)
 Bryden, M. H. (Beaches-Woodbine NDP)
 Copps, S. M. (Hamilton Centre L)
 Cousens, D.; Deputy Chairman (York Centre PC)
 Cureatz, S. L.; Chairman (Durham East PC)
 Davis, Hon. W. G.; Premier (Brampton PC)
 Drea, Hon. F.; Minister of Community and Social Services (Scarborough Centre PC)
 Eakins, J. F. (Victoria-Haliburton L)
 Elgie, Hon. R. G.; Minister of Labour (York East PC)
 Foulds, J. F. (Port Arthur NDP)
 Grossman, Hon. L. S.; Minister of Industry and Tourism (St. Andrew-St. Patrick PC)
 Haggerty, R. (Erie L)
 Hennessy, M. (Fort William PC)
 Kerrio, V. G. (Niagara Falls L)
 Laughren, F. (Nickel Belt NDP)
 MacDonald, D. C. (York South NDP)
 Martel, E. W. (Sudbury East NDP)
 McCague, Hon. G. R.; Chairman, Management Board of Cabinet (Dufferin-Simcoe PC)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 Norton, Hon. K. C.; Minister of the Environment (Kingston and the Islands PC)
 Peterson, D. R. (London Centre L)
 Philip, E. T. (Etobicoke NDP)
 Reid, T. P. (Rainy River L-Lab.)
 Robinson, A. M. (Scarborough-Ellesmere PC)
 Rotenberg, D. (Wilson Heights PC)
 Ruston, R. F. (Essex North L)
 Smith, S. L. (Hamilton West L)
 Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
 Stephenson, Hon. B. M.; Minister of Education and Minister of Colleges and Universities
 (York Mills PC)
 Stokes, J. E. (Lake Nipigon NDP)
 Turner, Hon. J. M.; Speaker (Peterborough PC)
 Watson, A. N. (Chatham-Kent PC)
 Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)
 Wildman, B. (Algoma NDP)
 Worton, H. (Wellington South L)
 Wrye, W. M. (Windsor-Sandwich L)



Ontario. LEGISLATIVE ASSEMBLY

No. 93

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Monday, November 9, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

Monday, November 9, 1981

The House resumed at 8 p.m.

Hon. Mr. Ashe: Mr. Speaker, before starting I just wonder if we have now become a two-party Legislature. Oh, here we are.

Mr. Nixon: Here comes the spokesman for the Socialists.

The Deputy Speaker: It is my understanding that it would be appropriate for you to move second reading of the bill.

ONTARIO GUARANTEED ANNUAL INCOME AMENDMENT ACT

Hon. Mr. Ashe moved second reading of Bill 94, An Act to amend the Ontario Guaranteed Annual Income Act.

Hon. Mr. Ashe: Mr. Speaker, the main purpose of this bill to amend the Ontario Guaranteed Annual Income Act, 1974, is to fulfil the government's intention to limit the guaranteed annual income system benefits payable to individuals who are entitled to receive partial old age security pensions.

This amendment to correct an anomaly will prevent individuals entitled to receive partial Gains benefits from subsequently increasing their entitlement to receive additional Gains benefits. This amendment parallels similar treatment under the federal Old Age Security Act.

The change will adopt a federal rule that prevents individuals who are entitled to receive partial benefits based on minimum residence requirements from later increasing their entitlement because they have then lived in Canada long enough to receive more generous benefits. This bill will also change the appeals procedures by transferring the agency for objections and appeals from the Ministry of Community and Social Services to the Ministry of Revenue.

Although relatively few appeals have been received in the administration of the Gains program, this change will place the function of handling objections and appeals under this act in the same stream as similar functions under all other tax statutes. With this change the tax appeals branch, which was established in 1980 to handle the objections and appeals under the

other tax statutes administered by the ministry, will also deal with objections and appeals filed under the Gains program.

In making this change, Mr. Speaker, a new procedure has been added that will enable senior citizens to object formally to assessments made by the Ministry of Revenue to recover overpayments of Gains benefits.

Mr. Haggerty: Mr. Speaker, I rise to support the amendments to the Ontario Guaranteed Annual Income Act, but when the minister introduced the bill I wish he had given the Legislature all the relevant details on other legislation for us to review.

I note he said it relates to federal government regulations on the number of years of residence in Canada. Right? That is what we are talking about: the new old age pension act. I am not quite sure, but I understand it may have some effect on residents in my area. I know a number of Americans have come to Canada, to Fort Erie in particular, and have tried to establish permanent residence in order to obtain old age benefits. I suppose it has hit other border towns in Ontario.

I do not know if they are entitled to Gains or not. Would they be in the proposed amendment to this bill, or would they have been entitled to it previously? Is the intent of it to close the loophole that permits nonresidents to come to Ontario to obtain Gains? These are the questions I would like—

The Deputy Speaker: The minister has indicated he will respond.

Mr. Haggerty: We support the bill in principle, but have a question about old age pensioners who are recipients of the provincial Gains program. There are other kinds of low-income persons in Ontario—I am speaking of persons in that grey area. For example, there is the case where a spouse who is receiving an old age pension dies. If the surviving spouse is under the age of 65 he or she does not receive any benefits, to my knowledge, to assist after the loss of his or her spouse.

I suggest if the minister is considering further amendments perhaps Gains should apply to persons in this grey area who are permanently unemployable, who really need assistance to

maintain their present standard of living and maintain their home after their spouses pass on. This is an area of concern to me and I am sure to other members of the Legislature. There seems to be nothing in this bill to give these persons some assistance so they can at least maintain a decent living. I hope that through your ministry, along with the Treasurer (Mr. F. S. Miller), you can find some means of financial support for these people who require some form of financial assistance due to the present circumstances of high inflationary costs, high energy costs and a number of other things such as the increase in food costs.

I know of a number of cases who are in dire need of some form of help and they are not getting it from the federal government, nor are they getting much from this government. This is an area I think should be looked at by members of the Legislature.

Mr. Charlton: We, too, will support this bill, but there are a number of concerns I would like to raise with the minister during the course of the debate.

We have no problem at all with the items in the bill dealing with objections. However, as a result of the federal legislation we find we have some problems with the item in the bill which deals with the limitation on Gains payments. We understand, as a result of the federal-provincial debate that has been going on over moneys, transfer payments and so on, the Treasurer and the Minister of Revenue in this province do not wish to be saddled with an additional burden as a result of a very chintzy, cheap and despicable approach on the part of the federal government.

On the other hand, when we talk about people who are eligible for Gains these are human beings who are senior citizens and who are at the very bottom of the economic stack. What this amendment does is to relegate some of those seniors to the very extreme lowest level in that stack for the rest of their lives.

The minister is aware that anybody who would be eligible for Gains in this province obviously has no other income from any source other than from the federal government. I understand the government's concern over this, but the federal legislation which this amendment is attempting to parallel and deal with is legislation which allows seniors who have lived in Canada for 10 years, but not 10 consecutive years, to take a reduced old-age pension.

The federal legislation relegates those seniors, if they apply for and accept that reduced old-age

pension, to stay at that reduced level for the rest of their lives. Regardless of whether they eventually meet the residency requirements that others have to meet in order to receive the full old-age pension, they will never receive it. What this is doing is relegating those seniors to the same position in relation to Gains, which is the very bottom of the economic heap—the extreme bottom, because we all know and we have debated in this House on very many occasions the whole question of income levels for seniors, especially income levels of seniors who are eligible for Gains. This is creating another step below that bottom line we have debated in this House a number of times.

8:10 p.m.

I understand the government's concern not to be put into a position of having to make up for inappropriate actions on the part of the federal government. On the other hand, I ask the minister to think quite seriously about this new low level of income we are creating for senior citizens, who are the least able to defend themselves against the economic forces in this society and the ravages of inflation. We are creating another low step, the lowest step we have in Ontario. That step is not acceptable in the context of what it will mean to the individual human beings who are being relegated to that position.

Senior citizens who find themselves in the position of having to apply for an early old age pension because they have not yet met the residency requirements are those most likely to find themselves in dire financial straits, not those who are rolling in bucks. Those senior citizens are being relegated permanently to that low level by the federal government, and this government is now prepared to go along with that in order to avoid picking up the responsibility the federal government is not prepared to pick up.

Colleagues in my caucus would certainly prefer to see the federal government pick up that responsibility, there is no question about that. I do not wish to criticize this government for the very cheap and degrading approach on the part of the federal government, but this is one case where all this talk we have had in Ontario about paralleling federal legislation is not necessarily appropriate. If the federal government has been wrong, as we have said so many times in the past to our sons and daughters, two wrongs do not make a right.

Hon. Mr. Ashe: I will cover briefly the points

made by the member for Erie and the member for Hamilton Mountain. First, I would like to clarify why and how a person qualifies for Gains. This amendment is designed to clarify what we know is the intent and to tie in with federal legislation, but at the same time not to cut down our liability for Gains. That is not what we are trying to do.

Persons who are residents and have 10 years' Canadian residency qualify on the basis of ten fortieths of the old age security benefit. They would still qualify, potentially, for the full guaranteed income supplement and the maximum Gains payment from us, which at the moment is \$48.88 a month for a single person. The way the present legislation can be read—and I say "can be read" because we have never had a claim under it, we just want to make it clear we are not changing anything that is not already happening—it might suggest that as a person qualifies for full benefits we would not only pay the \$48.88 but would be obliged to pick up the other three quarters of the old age security the federal government does not pay because of its rules and regulations.

I do not think the Gains program, as paid for by Ontario taxpayers, was designed to do anything more than it is doing now. We are prepared to pay up to a certain limit for everyone but not to take over the obligations. We are not challenging the requirements of the federal act—that is, the ten fortieths or twenty fortieths or whatever the case may be—but to make it clear we will not be picking up any of the shortfall not paid under federal legislation. We are not creating or changing anything. We do not think that is our obligation.

The other thing to keep in mind is that a great majority—I can appreciate it is not everybody—of the people who do apply for partial old age supplement benefits are normally immigrants from other countries—it does not matter from where—who may already have pension benefits or partial pension benefits from that other country. It is a little unfair to suggest the majority or even a significant number of these people would only be relying on pension income derived from residency in Canada or Ontario. Normally it is to supplement income from elsewhere.

A question also brought up by the member for Erie was about another situation, of a surviving widow, for example, under the age of 65. I think he brought in disability. The Gains program per se, at least the Gains-A program, is designed for people beyond the age of 65. But there are other

social programs within this province that in most instances would take care of the two situations described.

There are other benefits under the Family Benefits Act of this province through the Ministry of Community and Social Services that would provide for the widow under the age 65, even the physically able, who is not in the best financial circumstances. We have a Gains disability benefit as well for those who have a disability which puts them down at the lower end of the income scale.

There is no doubt one can always challenge the fact that these benefits should be higher. It is fair to say we try to cut the cloth to the amount we have in the bolt. The bolt, in this case, is the taxpayers of Ontario. We try to come up with something reasonable, responsible and more than competitive to recognize those situations in Ontario as good as or better than any other jurisdiction in this great country of ours.

Motion agreed to.

Ordered for third reading.

ONTARIO PENSIONERS PROPERTY TAX ASSISTANCE AMENDMENT ACT

Hon. Mr. Ashe moved second reading of Bill 137, An Act to amend the Ontario Pensioners Property Tax Assistance Act.

Hon. Mr. Ashe: Mr. Speaker, this bill to amend the Ontario Pensioners Property Tax Assistance Act will enable senior citizens to receive a temporary home heating grant for the next three years. This new grant is a part of the program announced by the Treasurer (Mr. F.S. Miller) on June 23, 1981, to provide temporary assistance for home heating costs. The temporary home heating grant is designed to cushion some of the impact of home heating cost increases that senior citizens are likely to experience over the next three years.

Persons 65 years of age or older who have incurred occupancy costs for their homes will automatically receive their temporary home heating grant in the spring of 1982, 1983 and 1984. The amounts of the grants will be \$60 for 1981, \$40 for 1982, and \$20 for 1983.

Every effort has been made to simplify this grant program for senior citizens. They need not file applications for the new grant. If a senior citizen qualifies for the property tax grant, either as a home owner or as a tenant, he or she will receive the temporary home heating grant along with the interim payment of the property tax grant each spring until the spring of 1984.

The temporary home heating grant program will minimize the strain of higher heating costs on senior citizens. The program will be phased out gradually over three years. During that period, some 540,000 pensioner households will benefit from this program. It is estimated this new home heating grant program will cost \$33 million for the upcoming home heating season, and \$63 million over the next three years.

8:20 p.m.

Mr. Haggerty: Mr. Speaker, I was just trying to go through some notes I have here and listen to the minister's opening comments. I am afraid he does not show too much benevolence for this time of the year.

This is only a temporary program. In looking more closely at this, I would suggest he copied it, or stole it, from a Liberal program in the last Ontario election. We suggested it was time the government provided some tax assistance for the persons who are purchasing home heating gas or oil, and we suggested at that time the grant should be about \$150 per household.

I am a bit shocked the minister would come in with a program as small as this in generosity. It is only going to be good for three years. It is a grant of \$60 for 1981; \$40 for 1982; and \$20 for 1983. The minister knows full well the cost of energy will increase an enormous amount by the years 1983 and 1984. I do not have to tell him that in the last agreement between the federal government and the oil producing provinces the federal Department of Energy, Mines and Resources has indicated that Ontario will generate \$7.4 billion in revenue by the year 1984.

I was reading a statement here by the Treasurer in June, in which he said the net cash requirement of Treasury will only be \$1 million higher than planned for in the budget due to the fact that revenues are up by \$92 million from the budget plan. It is perhaps the increase in the ad valorem tax that has generated additional revenue for the minister and the government. I suggest the ad valorem tax is going to bring in huge amounts of money—my guess would be a couple of million dollars in a year.

Hon. Mr. Ashe: No, more than that.

Mr. Haggerty: More than that? I wish we could get those facts correct, because I know it is difficult for our research to come forward with just how much revenue it will generate. But I know it is more than the Ministry of Revenue and perhaps the Treasury have indicated it would generate for Ontario.

So we are looking at huge sums of revenue,

and they want to come in with a bill here today and ask us to support it, offering \$60, \$40, and \$20. It is a disgrace to the pensioners in Ontario.

There are other persons in Ontario, property owners and persons renting, who are on low incomes and will not receive this benefit, such as it is. That is an area the minister should have taken into consideration, with the huge revenues he is going to get from this latest oil price increase and the ad valorem tax. He could have ventured into this area. If one is receiving general welfare, for example, he or she is going to have to wait almost a year before getting a rebate on the increase the allowance gives on welfare. It seems to be a bill that should be thrown back to the minister and brought in with amendments that would include these persons on lower incomes.

It is difficult right now for many home owners and persons on low incomes. Even the average wage earner in Ontario is going to have a difficult time meeting the high energy costs to heat his home.

I suggest the minister has not gone far enough in this area. The most important area—one which I can agree on—is the example that it is going to be included, as the minister has indicated in his press release. He said the bill to amend the income tax act will enact the temporary home heating credit. This credit is intended to reduce the impact of home heating costs for other low and fixed-income Ontarians. This document is from the minister and it says "other low- and fixed-income," but he does not include that in the bill. I suggest that is misleading. He has misled the people of Ontario by indicating that other persons besides pensioners would receive some assistance.

Hon. Mr. Ashe: They will.

Mr. Haggerty: They will? It is not in this bill.

The Deputy Speaker: Far be it from me to get sticky, but is the member suggesting the minister is misleading this House?

Mr. Haggerty: In this statement he is, inadvertently. He says, "Individuals who rent their homes will be able to claim their temporary home heating credit by filling out the Ontario tax credit form in their income tax returns."

Hon. Mr. Ashe: That is in Bill 138, the fourth bill tonight.

Mr. Haggerty: There is a point where I said I could agree with him. I think this is an example of the ministry, and perhaps the government, having found they have made a botch of the Ontario tax credit grant for seniors. We know

the purpose of that grant was to buy votes in the last provincial election. They were going to give two grants, one in the spring and one in the fall, but they were not quite sure when the election was going to be called. The Ontario tax grants previous to that were done in a manner that suggested, as this bill does, it would be done through the income tax. There were no problems with that when it was done through the income tax. Every pensioner, every person, understood it and they had no difficulties in receiving the grants.

The minister has come forward on a number of occasions with letters and announcements in papers. I do not know what the cost of them is, or of the phone they have, on which no one can reach them. What the cost is to the taxpayers I do not know, but I imagine it is considerable. I commend the minister for this bill under the Income Tax Act. It will reduce the difficulties pensioners are having today. It is almost six months since the grants went out in the spring. In fact there were very few problems in the spring when the grants first went out around election time, but somewhere along the line he has run into difficulties. I understand he has an advisory committee within his ministry now, trying to resolve the problem. It cannot find out where it is.

I do not know how the minister or his staff have bungled a system they had working very well previously, before the election was called. I suggest it is the incompetence of the minister. He should resign because of the hardships he has caused persons looking for that grant. They may get it before Christmas. I hope he comes out with a red suit and a white beard to see that the cheques go to those people. One of the reasons the opposition members are here is to make sure the minister keeps his promise. There are many areas of election promises he is neglecting, and this is one of them.

He has not made a strong commitment that those people who are waiting for their cheques should have them by now. There is no reason for that. I support the minister in this bill because grants are going to come under income tax. People will know full well that once their income tax form is filed there will be a cheque for them in a matter of six weeks, not six months, 11 months or the following year. That is what the minister should be looking at in changing the other property tax grant for seniors. That should be changed now so that when they make out their income tax this

coming year they will have their cheques at least by June, in enough time for them to pay their instalments on their taxes.

I suggest to the minister this program was taken from the Liberal policy platform in the last provincial election. We supported it on principle and I suppose we have to support it now, but it does not go far enough.

8:30 p.m.

Surely the amount of money they are going to collect from this ad valorem tax would enable them to do more. What are they going to do after 1983, when they know the price is going to go up again? There is a program up to 1985 with the oil producing provinces. That means it will probably increase by almost 40 per cent or 50 per cent the following year, which is going to have a terrific impact on all persons consuming home heating energy, whether it be electricity, gas or oil.

I suggest that if they can find \$650 million to purchase Suncor, surely they could have found more here to provide at least up to \$150 a year assistance to any person purchasing oil or natural gas to heat his home. If they can find it in one area surely they can find it in another, because they have really taxed them far enough in this area in relation to energy costs.

I suggest that the federal government has jumped on the bandwagon to hit the property taxpayers with such a high increase in the cost of home heating oil and natural gas. Some place along the line they should be working with the federal government. Those fellows over there are in bed with the federal government and they should get them to hand some of these transitional grants back and pass it on through.

They seem to forget what the main purpose of these grants should be; they should go back to the person who pays the tax in the first place. It would be great for them to say, "We can tax you," and then all of a sudden come back and say, "I am sorry, we have overtaxed you in this area. We will give you a little bit back." They have taken too much from the beginning.

There is a signal being given out on the streets right now in Ontario. It is going to be getting more noticeable and people are going to be more concerned about it. I suppose they can look at what happened with Proposition 13 in the state of California. People are going to say, "We have had enough of this taxation and the waste that is caused by the government's spending in areas that are not set by priorities."

We support the bill in principle, as small as it is in providing assistance for people in the greatest need.

Mr. Charlton: The members of this caucus very much recognize the efforts of the member for Erie to carry on the tradition of our former colleague for Scarborough-Ellesmere in calling for the resignation of the minister, but the member for Erie is not likely ever to be able to fill those shoes.

Mr. Haggerty: He was an overnight case.

Mr. Samis: That is the volume and the verve that Dave had.

Mr. Nixon: We need him back. The New Democratic Party has not been the same since.

Mr. Charlton: I too rise in support of Bill 137, but I would like to make a couple of comments on the bill, and perhaps make even a couple of suggestions to the minister.

As I suggested on the last bill, I understand the problems the province has in trying to deal adequately with the numbers of dollars that are involved in the home heating sector as a result of what has happened to energy prices in general over the last few years. However, in this context I have some problems with the specific dollars that are laid out.

The minister used the phrase "minimize the impact" or something to that effect. Certainly the grants in this bill will reduce the impact because any single dollar thrown into a senior's pocket to assist with his home heating cost will reduce it. But I certainly do not see a \$60 reduction this year and a \$40 reduction next year and a \$20 reduction in the third year as significantly minimizing the impact of the high cost of home heating fuel on senior citizens in this province. From what Statistics Canada tells us, they have been living below the poverty level for a number of years now.

Again, I cannot totally fault the government of this province for what has happened in the energy field, because we all know the debate has been very much with the federal government and transprovincial in nature.

I understand the dollars and cents problem the government has, but I want to make one suggestion to the minister which on an individual basis in any given year might provide substantially more assistance to the seniors of this province, or at least to some of the seniors, on a longer-term and ongoing basis.

If the government of this province were to take the moneys that will be demanded of them by this home heating assistance program and get involved in an add-on to the federal program for conversion, it might be able to assist some seniors in this province.

I should point out that those seniors who are being hardest hit by home heating costs, those who still happen to have oil furnaces in their houses—because those seniors paying heating costs based on oil are the ones who are being hit the hardest—find themselves in a situation where, even with the federal grant to pay up to half the cost of a conversion to natural gas or a maximum of \$800, whichever happens to come first, they are often unable to come up with the additional \$800 or \$500, or whatever it happens to be, even to qualify for the federal assistance for half the cost of the new furnace.

Although they own their homes, having paid them off, and are getting the old-age pension, the guaranteed income supplement and the guaranteed annual income system payment from this province, they often are getting nothing else because, unfortunately, they did not have any pension at the places they worked for their lifetimes.

Some may have small amounts of savings, but many have nothing. It is our perspective that the money this government is using for this across-the-board declining grant, which will run out in three years and which will mean little if anything in two years, perhaps could have been much better used to assist those in the seniors' group who are hardest hit by heating costs by using it as an add-on to the conversion program.

Right now, natural gas costs in Ontario are running 20 per cent or more below the cost of oil. If that is not a permanent saving for any senior who can afford to convert, it is at least going to be a longer-term saving than the three-year declining process that is set out in this bill. That is just a suggestion to the minister put from a positive perspective.

We are supporting the bill, because we are glad to vote in favour of any assistance we can get for the seniors of this province, although sometimes we would like to see assistance that we think is a little more appropriate to the dire problems our seniors have.

Mr. Newman: Mr. Speaker, I want to make a few comments to the minister concerning Bill 137, An Act to amend the Ontario Pensioners Property Tax Assistance Act, and to make a suggestion to him, hoping he will accept it, if not in this year, in some future year.

The bill is a step in the right direction. Unfortunately, as the minister has the amounts indicated here, in each succeeding year we are going to find the cost of energy is going to increase substantially, whereas the grant given to the senior citizen is substantially reduced. It

is reduced first by 33.3 per cent, and the next year it is reduced by 50 per cent, yet the costs for the energy itself are going to increase substantially. We hope not, but we know if we face the facts of life that they will be increasing.

8:40 p.m.

One of the areas I am concerned about is that a lot of our seniors, as well as others but I will refer to senior citizens only, do live in government geared-to-income housing, senior citizens complexes or private dwellings. The cost of energy is included in the rental. The individual may be paying X dollars, which includes heat. Is that individual going to qualify for the grant for heating assistance? Is it going to include him since he lives in an apartment or unit where the rent includes the energy component?

Mr. Samis: Mr. Speaker, I want to speak briefly on this bill. Naturally, we support the principle of assisting seniors. I would point out, like my colleague the member for Erie, that I am not sure the seniors are the people most affected by the rising costs of energy when one compares their predicament with people on welfare and under the Family Benefits Act. I somehow suspect many of them are in far worse straits. I realize there is a jurisdictional problem, but I still think those people probably have a greater need in more cases than our seniors.

But dealing with the case of seniors, I have two basic questions that I want to pose to the minister. First, why is the program temporary in nature? What sense does it make bringing in a program with a built-in program for self-destruction, and why the declining value when we have increased energy costs?

If the minister refers to the limitations on the budget and says the government can only spend so much, it has already been pointed out that the ad valorem tax will bring in added revenue every year for the next five years as part of the federal-Alberta energy agreement. That will go beyond those five years when they sign a new agreement in 1985-86.

Second, three weeks ago the government was able to find \$650 million to invest in Suncor. The government had no problem doing that and paying a hefty rate of interest. The minister probably was one of the 22 who was not even consulted on the whole deal, which is an insult to the minister and every member of the cabinet who was not consulted.

Just last week, the Treasurer announced \$20 million for the car dealers of Ontario to help them out. There was no trouble getting that

money. That is such a ridiculous program, where one can have the absurd case of somebody buying a car made in Russia and getting a rebate from this government to the tune of \$300, \$400 or \$500, and yet we are telling seniors that \$60 is all they can expect from a program like this.

I ask the minister, in the context of the fact that fuel costs in this province probably will increase more than 100 per cent in the next five years as part of the federal-Alberta energy agreement, why introduce a program that is going down from \$60 to \$40, from \$40 to \$20, and then down to zero in its final year? What sense does that make to consumers when the cost of home heating will be going up?

I think the suggestion made by my colleague the member for Hamilton Mountain makes sense. If we are trying, as an overall policy, to reduce this province's dependence on oil and imports from Alberta, it would make far more sense to assist our seniors to take advantage of the federal energy conservation and conversion programs. That would reduce the cost for seniors and probably would reduce the need for this government to assist them if we could cut down their fuel costs that way.

In summary, it seems to me that this program is illogical and inconsistent in the idea of its built-in self-destruction. I ask the minister to look into his crystal ball and use his powers of clairvoyance to tell us what goody he is concocting for the election year of 1985 to replace this program as it self-destructs.

Mr. McKesock: Mr. Speaker, I rise to support what the minister is doing but not the way he is doing it.

The minister said in the previous bill that the government was obligated to pay seniors up to a certain level, but he did not want to pick up any unnecessary payments. This being the minister's philosophy, why is he picking up and making payments to property owners who are millionaires, as well as to those who need it, as is being done in the property tax rebate program? In this home heating program, he is doing the same thing, contradicting himself.

One time he says he does not want to pay any more than he has to, then he comes out with a program that makes payments to everyone: first, the property tax rebate, and second, the home heating program, which is going to cost another \$63 million right across the board.

Why not add these benefits to the guaranteed annual income system cheques that are already

being administered? Then those who need it will get it and those who do not need it will not get these piddling cheques of \$60, \$40 and \$20.

The minister probably will say that he will tax it back from the rich. These cheques he has been giving out to those who do not need it and do not want it all cost money in administration. The property tax rebate alone was to cost \$3 million in administration, and I am sure it probably will be double that by the time it is figured out, with all the problems they have been having with that program.

He will add more to administration by coming out with these new programs. We do not need another program. The Gains program is in place. That is what it is for: to assist those in need. Why does he not increase the monthly payments on Gains cheques and forget about sending out these piddling cheques to everyone? I think it must be a make-work program for the civil service. Why does he not give a paid holiday to the people who are coming up with these new programs? It would be much cheaper. Tell them that a program called Gains is already in place, and it would serve seniors adequately if he were to fund it accordingly.

Ms. Bryden: Mr. Speaker, I support this grant to help seniors with their heating costs, of course, but in supporting it I feel that I am offering them a peanut, because it is a minimal grant which will not even raise them up to the poverty line—and most of them are below it.

This grant is a disappearing grant, and there is no promise from the minister that he will see that their guaranteed annual income system payment is increased next year and the year after so they can absorb their heating costs any more easily than they will be able to in the coming year.

It is a grant that comes at the end of the heating season. I do not know how they are supposed to finance their heating costs in the meantime; perhaps they are supposed to keep their thermostats down to 55.

In other words, I feel this grant is an insult to our seniors and does not really solve their problems. It is the sort of highly visible grant that the government likes to send out in separate envelopes with separate postage on each envelope at 30 cents plus next year. It costs a great deal to administer and it costs a great deal in postage, and I doubt if they are even considering combining this mailing with the mailing of the pensioners' tax grant or the retail sales tax grant. It would make sense if they did combine those mailings, particularly in view of

their alleged desire for budgetary restraint. But it appears that when it comes to handing out little dribs and drabs of cheques to a large number of people they prefer to do it in individual envelopes, individual mailings and individual postage.

While I support the idea of an energy relief grant for seniors, I would like to see it done in a more sensible way through a tax credit system. Through a tax credit system it would also be possible to ensure that it does not go to the rich as well as to the poor and, therefore, that there would be more funds to go to those many thousands of seniors who are below the poverty line.

I also hope that the Ministry of Energy will do more to reduce heating costs for seniors and for all Ontario citizens by developing alternative and cheaper sources of energy, but they are putting minimal amounts into research in these fields.

The other thing that concerns me is whether this grant will turn out to be the same kind of disaster area in administration that the pensioners' tax grant and other handouts of the Ministry of Revenue have been, such as the late, lamented home buyers' grant. In that program, a great many people received grants who were not entitled to them and now attempts must be made to collect them back.

8:50 p.m.

The same thing has happened with the pensioners' tax grant. My constituency office reports getting calls every day about the pensioners' tax grant administration. Now, when people phone in, the details are not taken; their number is simply taken and they are told somebody will return their call to deal with their complaint. Often the call does not seem to be returned. It may be they are not in at the moment the call comes, but they feel they have not even had an opportunity to get the details across to the ministry as to why they are not getting their grant.

There are all sorts of cases where grants have gone to people not entitled to them. This may happen with this grant as well. Grants have also gone to deceased persons. The accident-prone record of the ministry in administering these handouts is something that concerns me greatly; they should be discouraged from carrying on this kind of assistance to seniors. I think the seniors would benefit much more if the money that is wasted on these handout programs were concentrated and went to those who need it through a proper tax credit system. If the

seniors need assistance in making out their tax forms to collect the grants, that could be arranged through government information offices.

I will not go into all the cases I have of people who have had difficulties getting their pensioners' tax grants, but I will say they are numerous. While the ministry does attempt to deal with our complaints as they come in, a great many seniors out there feel that although they put their application in for the pensioners' grant in September, somebody else got their money in November but they have not received theirs yet. They feel there is discrimination or else that it has been lost and they get very worried.

I hope the minister will clean up his act administratively so that when this grant does go through—and I understand it does not go out until next spring—it will go to those who are entitled to it under the legislation. I hope there will not be all this hassle of people finding out that somebody has received their grant ahead of them and they have not heard anything from the ministry as to why they have not received it.

I regret that all these hassles cost a great deal in taxpayers' dollars for the administrative machinery to handle the complaints. If we did not have this system, we would be saving a lot of money in administrative machinery. I hope the next effort of the ministry to assist seniors will be a better-designed system that will get the money to those who really need it.

Mr. Nixon: Mr. Speaker, I have a high regard personally for the Minister of Revenue. I have seen him in action on a number of committees and have known him personally in this House for some years. I feel quite disappointed that, even though he is now the Minister of Revenue, we still have a continuation of the policies I would have thought a hard-headed, impersonal, tough-minded, independent-thinking member of this Legislature would have been able to change. These programs reflect the kind of cockeyed, top-of-the-head decisions made by the Treasurer far more than those of the Minister of Revenue.

Over the last number of years, I have always regretted that the government of Ontario, for reasons that have never made sense to me, decided to have a separate Ministry of Revenue. I feel it is entirely a waste of money to have a separate Minister of Revenue, because he does not do anything but administer the decisions made by the Treasurer.

Mr. Haggerty: He should resign.

Mr. Nixon: My colleague has said it. If our

good friend, the present minister, had the tough-minded independence we have always given him credit for, he would resign his place forthwith and move to the back there to wait for his turn to be Treasurer. I would sooner see him in that job than the incumbent, because those policies recently put out by the present Treasurer are absolutely hare-brained. They do not show any of the great strengths of carefully thought out, tough-minded policies designed to meet the needs of Ontario at minimum cost to the taxpayers.

They do just the opposite. They are the sort of things that might occur to the Treasurer when he is out jogging or washing his yellow Corvette, or whatever has taken its place. He probably does not need one now that the taxpayers are providing him with a new—

Mr. Epp: It is a foreign one.

Mr. Nixon: Has he a foreign car? I do not know about that. I do not want to get too far afield.

I cannot help but feel that the minister, when he goes home at night and is lying in bed, must thrash around thinking about the terrible policies he has to administer. It would a little different if he were a paid civil servant. The minister, the Treasurer, would simply say, "Do this," and the civil servant might very well say, "But, Minister, it should be done this way and that way." Perhaps the minister, if he were the Treasurer, would simply say, "Be quiet and do what you are told," or whatever one would say to senior civil servants.

I have not had that experience. The minister should not be treated as a senior civil servant or even as a junior one. He is certainly being treated as one who has no mind of his own.

Knowing the minister, I cannot believe that in his heart he supports these inane, asinine programs, which is what they are. To be passing an amendment that means he has to crank up the computers to send out all the cheques for all the little old ladies with the quill pens who are in his ministry to pass along seems to be an entirely serious waste of money.

I like the suggestion made by the member for Grey when he said we believe these people should have assistance with paying their heating bills, and to just add it to the Gains. The people who need help will get it.

An older lady, such as my mother, who is leaving for Florida in a week, undoubtedly will get her heating subsidy in the mail; if she does not, she will phone me up and wonder why. She has the right to it, as does Harold Ballard and all

these senior citizens who should be paying taxes and are glad to do so. They love to get letters signed by the Premier (Mr. Davis) or the Treasurer or whoever signs these blooming cheques. Do they all have a picture of the Legislative Building in the background, just so there is no mistake? They say, "They do not come from Ottawa, friends; they come from your friendly Tory government," which has more money than brains. It has more money than brains; that is a fact.

I hear my mother's euchre and bridge friends. They are saying: "Did you get your \$50? I got my \$50. I got my \$250. I am supposed to get another \$250. Has yours come yet, Alice? No, mine has not come yet, Lois. Well, you had better phone Bob and see what's holding it up."

I am sick to death of it. None of these ladies needs the money. They appreciate it because it means they can buy Christmas things for their grandchildren and their great-grandchildren. They really like to have it. It is true they have worked hard and paid taxes for a long time, but it is a very bad way to run the Treasurer's program.

I want the money to go to the senior citizens who need help to pay their heating bills, but why should those cheques be sent down to Florida? That is wacko. It is a waste of money and a very—

Mr. McLean: That's what you thought, Bob.

Mr. Nixon: They are not sent down; they have them deposited to their accounts back home because the interest rates are better here. It is appalling that we have taken this course of action.

9 p.m.

The Minister of Revenue never complains about the government of Canada, but the Treasurer does. Suppose the government of Canada, or Mr. MacEachen, followed the example of the Treasurer of Ontario and the policies of the government of Ontario. We do not know what he is going to do on Thursday, but no doubt the Minister of Finance for Canada will announce his programs, such as wrestling inflation to the ground and those things we have been waiting for. But just suppose he follows the example of the Treasurer of Ontario.

The federal government would stop the grants to Ontario for post-secondary education and send a cheque with the Peace Tower in the background, signed by Mr. MacEachen and Mr. Trudeau, for half the cost of education for each kid, beginning in grade 13 and beyond that. Why

not? After all, who gives them credit? The members opposite certainly do not. They never give the federal government credit, and that is one of the latter's objections. It pumps into Ontario more than 40 per cent of our budget, and all the people opposite do is give it a hard time, except when it is to the political benefit of the Premier, in which case, as somebody mentioned earlier in this excellent debate, they crawl into bed together and exchange cheques. It is hard to decide who is the payer and who is the payee. I could put different nouns to that combination.

Mr. MacEachen really ought to be sending out his direct welfare payments. The federal government pays a very large percentage of the cost of social and family benefit programs. Why should the payments all come out from the Minister of Community and Social Services (Mr. Drea)? Everybody thinks that good, generous minister has come in from the track for an afternoon and sent out a bunch of these cheques. The federal government also pays a very large percentage of our Ontario hospital insurance plan costs. It is supposed to be just 50 per cent but, because this government has redirected—I will not use another word—much of the funds made available by the government of Canada—

Hon. Mr. Ashe: That is not true.

Mr. Nixon: It is true. Monique Bégin was right on when she complained about the misdirection of federal funds coming into Ontario. This government just puts them to use for general purposes. It uses them to buy jet planes. It uses them to make down payments on oil companies, instead of spending them on OHIP programs where they should be spent.

I ask you, Mr. Speaker, would it not be reasonable if Mr. MacEachen advised his colleagues to send cheques directly out to the people using doctors' services or to hospitals and to say, "Here is assistance coming from your friendly government of Canada to meet your medical requirements"? After all, they do not get any credit from these people over here. For the last five or six years, ever since the Premier has gained a little confidence and come into his own around here, ever since he got rid of Darcy McKeough, he has really decided that every one of these dollars should buy votes.

I have the impression that his chief fiscal and financial adviser is not the Treasurer or the Minister of Revenue, but the Minister of Agriculture and Food (Mr. Henderson), who found

out in Lambton county how to use these programs when he delivered the cheques by hand.

I get cheques myself, I must tell you, Mr. Speaker, because we have a program here where the government of Ontario, recognizing its responsibility to farmers, has paid half the cost of our land taxes. As somebody pointed out, I think it was the member for Beaches-Woodbine, with each of the cheques—and I think I get about five of them for my extensive holdings, my extensive patrimony in South Dumfries township—for every little piece or half part lot I have, I get a separate letter, with the information that it comes from the government of Ontario and from the Treasurer and all the rest. It is fully stamped and I have to take it to the bank; it has all the requirements for that purpose.

Even with that grant, I pay far more taxes than I should. Any farmer in this House will tell members I am right. Ask the member for Stormont, Dundas and Glengarry (Mr. Villeneuve). He and I always agree about these matters.

I believe it is such a waste that we even have a Minister of Revenue, because I repeat that I know the abilities of this Minister of Revenue and, if he had his way, I am sure he would kick these programs out in one fell swoop.

If this ministry lasts another year or two—which is questionable, but it may—we hope he gets out of this third-rate ministry, which should not even be a separate ministry at all. We hope he has a chance to prove his mettle in something worthy of his talents like the Ministry of Correctional Services. I really regret it.

I also want to join those who have said that, with the difficulty we have in getting anywhere near balancing our revenues with our programs in this province under the direction of the present Treasurer, we should be using our funds to assist those who need help and stop sending this money to Florida or Maple Leaf Gardens. That is absolutely preposterous. It would be quite simple to give the money to those who need it rather than simply give it across the board to all concerned.

I also believe the intent, which is basic cornerstone Tory government policy, of being sure political credit is magnified for every buck it sends out is not worthy of any modern government. One does not see those people up in Ottawa doing that.

They use their dollars for the good of the taxpayers. They do not have wasteful programs

of the type we have to put up with in this province. As I have indicated, if on Thursday Mr. MacEachen were to follow the example of the government of Ontario there would be far-reaching changes which would decrease the efficiency and usefulness of these federal programs.

However, I will be supporting the legislation.

Mr. Boudria: Mr. Speaker, it is difficult speaking after the illustrious House leader because he has almost said it all. I will be brief in making some comments to express my bitter disappointment in this legislation.

It is unusual to see a government that can spend \$650 million to buy Suncor and \$10.6 million to buy a jet only give \$125 million over three years to a program like this. Even at that it is not even well-administered. In many cases it is not going to areas where it should. As the member for Brant-Oxford-Norfolk has indicated, the money will be going in many cases to people in this province who should not be receiving it. I see right across from me the member for Stormont, Dundas and Glengarry who will himself be receiving one of these cheques. Probably other members of this House will be receiving those cheques.

The purpose behind this is not to give cheques to assist in paying the oil heating bills of such members as the member for Stormont, Dundas and Glengarry. I would hope instead we would be helping people who really need it—people who are in dire straits, not people who can afford to do without it.

My House leader has indicated some of these cheques will be cashed by people who are not even living here in winter and have gone to Florida. That is a disgrace. Why did the government not see fit to do as the member for Grey has suggested and implement that program along with the Gains program where the people who need it would get the money and the people who do not would not get it.

It is funny to see the priorities of this government. It is not really funny, it is sad that this government would spend the money it is spending on absolutely useless programs such as this. This is so heavy in administration and gives so few benefits to the people. There was the other idea this brilliant government had of buying that jet. Why is that \$10.6 million not going to help people who are in need?

I see the Minister of Government Services (Mr. Wiseman) sitting in the House with us tonight. I thought it would be appropriate at this time if I read to the members—and of course I

hope the minister will be listening—this interesting article I saw in the newspaper today. This article is from Monrovia, which is the capital of the very important country of Liberia. The president of that country has ordered the government to sell the only jet in that country.

9:10 p.m.

I hope the Minister of Government Services, whose ministry is in charge of disposing of the useless equipment the government has, will take a similar initiative to sell the jet we have in this province and put that money into programs of greater value. Anything would be of greater value than that venture.

I guess it was the member for Beaches-Woodbine who described the very inefficient way in which other programs of that same ministry were administered. The constituency office assistants should get a raise for all the work they did in helping to administer that program alone. Half the calls they got in the last month were about programs administered by the Ministry of Revenue: things like three, four or five cheques made out to the same person while the spouse did not get any cheques at all, and all kinds of other things that were wrong with the way that ministry was administering the program.

I know the minister stood up in the House the other day and gave his staff all kinds of praise for the fine job they were doing. He related to us the percentage of errors and things like that to indicate that—

Mr. Nixon: I bet that is not what he says in his staff meetings.

Mr. Boudria: Perhaps not.

But although the minister said this, one cannot help being concerned about the fact that the number of errors we have seen in the programs run by this ministry is just mind boggling. And by adding another level of administration to these programs, by adding another program to be administered by these same people, we will, in my opinion, get even more of these errors. More of everybody's time will be spent in trying to rectify those errors. Constituency office assistants and members of this Legislature will again spend a good deal of time administering a program that should not even exist in its present form. As the member for Grey (Mr. McKessock) has suggested, it should be done in a completely different way.

I also wish to touch on part of a statement the Minister of Revenue (Mr. Ashe) made to the Legislature on October 13. I read from the minister's statement as follows:

"The bill to amend the Income Tax Act will enact the temporary home heating credit. The credit is intended to reduce the impact of home heating costs for other low-income and fixed-income Ontarians for the next three years."

In that part of his statement the minister indicates that the purpose of these grants is to assist people in need. Granted, that paragraph is different from the one that refers to the senior citizens. The minister is saying if one is in need and not a senior citizen we will lend a hand; but if one is a senior citizen, whether one is in need or not seems to be irrelevant to this government. That is what disturbs me.

In this compendium of information that was given to us we also have part of a speech by the Treasurer (Mr. F. S. Miller). Actually, it is part of the budget speech, and again we see in the speech:

"Therefore, as I indicated in my budget, Ontario is now prepared to initiate unilaterally a temporary program to offset some of the impact of heating cost increases for low- and fixed-income Ontarians and for pensioners."

Again the minister is saying he wants to help low and fixed-income Ontarians and pensioners, whether or not they are on a low or fixed income. So it seems like a pretty arbitrary decision to say that once somebody has reached a certain age, even if he is a millionaire, he will be assisted by this government. That is extremely unfair. It may be nice to get, and I guess that is why the government is doing it that way. As my house leader says, when one gets a cheque and sees a picture of this building on it and the cheque is signed by the Treasurer of the province, that is supposed to make one feel happy. Maybe it is supposed to make one remember all those things from now until the next election. But it is not the way the program should be administered.

I will support this legislation reluctantly, not because—

Mr. Villeneuve: Why do you not oppose it?

Mr. Boudria: The member asks why I do not oppose it. It is almost like opposing motherhood. The bill is so drawn that if we oppose it, it will appear we are against pensioners receiving assistance. Of course we are not. As a matter of fact, we would like to see more money in this program so that it can really be of assistance. As the leader of the New Democratic Party has indicated, this is about as good as buying them a sweater, and I think that was well said. I do not say that for very many things that person says,

but in that case I think that statement was really well said—all this was good for was to buy sweaters for the people.

Of course we are not going to oppose it, but I do think the minister should re write this act in such a way as to make sure the people who need it are getting the cheques.

In closing, I want to know—and perhaps the minister can tell us later—why they will only be getting these cheques next spring. If there is a need for the money in 1981 the cheques should be made out before Christmas, at a time when people can use the money even more than at other times. Around December 15 to 20, when some of these needy senior citizens need the money even to buy themselves turkeys for Christmas or something like that, they could use that \$60 a lot more than next April or whenever the minister wanted to send it. If the minister can address that it certainly would be appreciated because I think the money is not being sent at the proper time.

Just to reiterate: we will be supporting this legislation, but very reluctantly.

Hon. Mr. Ashe: Thank you. Mr. Speaker, I do not think I have ever heard such a great number of speakers with kind of a “yes but,” “we are supporting it, but—”

Mr. Boudria: That is because it is “yes but” legislation.

Hon. Mr. Ashe: I heard one, two, three, four, five, six, seven, eight—eight “yes buts.”

I will try to summarize the points made. Many of them were somewhat repetitive. There were a couple of good suggestions, frankly, and a couple of legitimate questions that I will attempt to answer. I suppose there was a general one about the size of the grant and the fact that it was a diminishing grant. Rightly or wrongly, whether the members agree or disagree, when the Treasurer announced the program he did make it very clear that in his view it was a temporary program that was supposed to be self-destructing after three years and, in fact, is.

The main purpose behind it—albeit the decreases are the exact opposite way that heating costs are going to go—was more to cushion the blow in this coming heating season, so that over the next couple of years people can accustom their budgeting to higher heating costs, not that they would be offset by this program. As has already been pointed out there is no doubt it goes down. The \$60-\$40-\$20 is kind of in the opposite direction to the price of fuel, but that is the way it is.

There was some questioning of our ad valorem tax revenues. I would point out to the honourable member for Erie that one can look at a government source of revenue—it does not matter where it is from—and try to put it into some spending program and suggest why that program should be or can be larger. But as he well knows, the consolidated revenue fund brings money in from many sources and tries to put it out in what is felt to be a fair and equitable basis.

9:20 p.m.

Our ad valorem tax, contrary to the federal cohorts in Ottawa, is designed to draw in income from motor vehicle fuels. We did not impose taxes on heating fuels, such as was done in Ottawa. I think the member is comparing apples and oranges when he relates the revenue versus the expenditure.

As a matter of fact, if one even thinks back to that ill-fated 18 cent a gallon tax proposed by a rather short-lived government a year or two ago in Ottawa, even they were not going to stick it on the home heating fuels. It goes to prove the Conservatives, generally, have much more heart than the Liberals, even federally.

Mr. Nixon: Why did you pan them? It wouldn't have been defeated if you people had supported it. It's a little late now to turn out to be a federal Tory.

Hon. Mr. Ashe: I am only talking about heating costs at this point.

As far as this bill is concerned, I hope it is clarified now in the mind of the member for Erie. This program only relates to the property tax grant program for seniors and there will be similar amendments in Bill 138, which I doubt we will get to tonight. If we do not, it will be Thursday when we do the Income Tax Act. Of course we can only amend something relative to the act in which that program is enacted and is relevant.

There were quite a number of comments on the old system versus the new system; that is to say grants versus credits. As we all know, those under the age of 65 still do use the credit system through their income tax.

There was a questioning of why the grant—and this came up quite regularly—is paid next spring rather than this Christmas as a Christmas present. There has been some other suggestion that we like to send grants and cheques and so on. I would suggest there would be a lot of howling over there if we sent it enclosed with a Christmas card rather appropriately painted or

coloured in blue, with blue snow, et cetera. I would suggest there would be some very legitimate criticism from the members opposite. We just would not do things like that on this side of the House.

There were some suggestions by many that this program would increase greatly the administrative work load and there would be separate cheques, separate envelopes, separate postage—to use the specific references by one. By sending something out in December, that would be exactly what it was. That is not what we are doing.

There is no additional administrative work load because of this program at all. We are adding it to the property tax grant interim cheque that goes out early next spring. It is an add-on—not a separate cheque, not a separate letter, not a separate envelope, not a separate stamp—because we do recognize that we have to absorb those massive increases the federal government is imposing in the postal system to try to make it work. I doubt whether it will but they are going to try. We recognize that and of course we are going to keep our mailings and administration costs to a minimum.

There were several comments, vis-a-vis the property tax grants and the sales tax grants and a few problems with them. Last week I stood in my place and acknowledged that we have had a few problems. When one is dealing with \$1.4 million in cheques, when one is dealing with a file based on seniors that we receive from the federal government's old age security files, that immediately goes out of date even one day after we receive it, let alone a few weeks or months—yes, there are going to be some problems.

I think if people would think about and recognize the age group we are talking about—they are generally fairly mobile. Unfortunately there are people coming into that age bracket every day and there are seniors who are leaving that age bracket every day. So some of the problems pointed out did happen. I would like it if we had a 100 per cent success rate and a zero error rate, but we all know even computers are human. They make mistakes, too, especially if a human mistake is fed into the computer.

All in all we have delivered the program we said we would. The sales tax grant went out with few hitches. I have not heard of anybody who got four or five cheques. If anybody has please let me know. I know of a few who got two or three. We know the reason they did and that has been cleared up. It was a few hundred and, out of 846,000, I would suggest it is in the order of one tenth of one per cent. It was minute.

While the member for Hamilton Mountain was indicating his support, he used some of the words in my statement on first and second reading and I will just show how they tie in. The first one said, "to offset some of the impact," and the second read "to cushion some of the impact." I think he would agree they do mean the same thing. That is all it was designed to do. It never did say it was to pay for the extra costs of heating.

He did make a reasonable suggestion, vis-a-vis the off-oil program, that these same moneys could have been used to supplement and complement the federal off-oil program as a grant of up to half the conversion cost up to \$800. That is reasonable and I do not deny the sincerity with which it was made.

At the same time, I would suggest the same seniors who are getting these \$500 grant cheques and the sales tax grant of \$50 or \$100, depending whether it is a single person or a couple, could put that grant towards the off-oil grant program and have \$1,300 or \$1,400 which in most instances would probably pay for the conversion. I know some seniors are doing exactly that.

The member for Windsor-Walkerville in his indication of support said it was a step in the right direction. He asked whether people in rental accommodation qualify. Whether one owns one's home or rents, one qualifies on the basis, and there is no distinction, that if one qualifies for a property tax grant, one also qualifies under the same criteria for a heating tax grant. If one does not qualify for a property tax grant, one does not qualify for a heating tax grant. Of course, there we are talking about people in institutions such as hospitals and those facilities already subsidized by tax moneys through the Ontario government.

The member for Cornwall was talking about why it is temporary and why it is declining. I hope I touched upon that. He mentioned the comparison with the car rebate program. I would suggest they are really apples and oranges. One of the problems the Treasurer has to react to is different situations in our economy. There is no doubt heating costs and our seniors are one sector that deserves consideration and, under this government, receives it. Similarly, when one gets to a situation where it was quite conceivable one third of our major automobile dealers in this province might be out of business in the next few months I think programs sometimes have to be designed to take care of that problem.

Unfortunately, by law he did not have an

option whether the rebates would be given on the Russian-built car, the Japanese-built car or the North American-built car. That issue was determined in a court of law before and, as much as we do not like it—and I think the Treasurer alluded to that in answer to a question put to him— we are stuck with it.

9:30 p.m.

The question was brought up, why pay it to millionaires? That would include, I would suggest, members of the family of the member for Brant-Oxford-Norfolk but that is the way it goes. Sometimes these decisions and considerations are made as to whether a new administrative program should be set up to save \$X million and whether, to use somebody else's words, we want to make a make-work program.

It was the wisdom of the Treasurer, administratively supported by the Ministry of Revenue, that it was easier to have a program requiring no extra administrative costs, even though one may be putting a little more into the system than possibly one would under other circumstances. I would suggest if one saved a few million dollars by trying to be restrictive in where it went and then spent it in administration, that is not much of a benefit. The government has already enriched the Gains program in the past year. I do not debate at all the quality and the deep thinking of the individual who put that forward. It was a very valid suggestion and it is quite legitimate. Those programs are always under review within the abilities and capabilities of the government to provide funds.

I guess we are getting down to the end. I just have to comment very briefly on the kind remarks, I think, of the member for Brant-Oxford-Norfolk. At times they seem to be complimentary and at other times I am not quite sure. Being a very positive person, as I always am, I can see the excerpts from Hansard appearing about 1985 on certain documents that might end up on the street. I know how well regarded the honourable member is throughout Ontario, so having his endorsement would add greatly to my electoral appeal in the great riding of Durham West.

I think I have covered most of the points. In any of these programs—whether one is talking about the sales tax rebate grant, the property tax grant, the farm tax rebate, et cetera—any recipients who feel they do not deserve, want or need them can always make a donation back to the crown and it will be willingly received. I know that is probably what the honourable member opposite does when he gets his farm tax

rebate every year. I imagine he shakes as he endorses it, and sends it back saying, "Dear Bill," or "Dear Frank, I am giving this back to you, because I know you need it more than I do."

The last issue that was raised by the member for Prescott-Russell (Mr. Boudria) relates to the excellent investment this government is finally making in updating its aircraft to better transport some of the senior people therein. Let me just suggest we cannot sell it yet, because we do not have it yet.

Mr. Boudria: Sell your option on it.

Hon. Mr. Ashe: We have already taken it. It is being finalized and finished right now. But we in this government will use our assets more properly in the Ontario air force than the federal government has done, particularly in a certain issue a week or two ago when three federal ministers used three jets to go west within three hours of each other. With one jet here in Ontario, it will be very difficult for us to do this.

Motion agreed to.

Ordered for third reading.

ASSESSMENT AMENDMENT ACT

Hon. Mr. Ashe moved second reading of Bill 142, An Act to amend the Assessment Act.

Hon. Mr. Ashe: When I introduced Bill 142 for first reading on October 15, 1981, I made some explanatory comments that I would like to expand upon as we consider the bill in detail. Although my comments on this bill are somewhat more lengthy than on the other two, they may answer many of the concerns and queries in the minds of the honourable members and, in the long run, save time.

This bill has three main purposes. First, the bill will defer to December 1982 the return of assessment rolls at full market value across the province. This provision of the bill will allow the 120 municipalities currently considering the section 86 reassessment program to proceed, if they so choose, with its implementation for taxation in 1982.

As I am sure my colleagues are aware, the objectives of the section 86 program are to provide municipalities with defensible tax bases to ensure that assessments within property classes are equitable and to provide ratepayers with assessments based on market value, a concept they can clearly understand, especially if they choose to compare their assessments with those of similar properties.

To date, 247 municipalities have successfully

implemented the section 86 program. The addition of the 120 or so municipalities currently considering its implication in assessment year 1981 for taxation year 1982 will result in nearly half of all the municipalities in Ontario being reassessed in the last four years. This is indicative of the municipalities' acceptance of the program and the substantial progress my ministry has made.

The bill also proposes some changes to the enumeration process. In municipal election years, we will be conducting a full-scale enumeration in the usual manner. That is, we will be collecting information from all occupants to produce statistics on population and school support and the voters' and jurors' lists. While limiting a full-scale enumeration to only those years in which municipal elections are held, my ministry will be able to redeploy the savings and resources to improve its services to municipalities, school boards and ratepayers.

In off-election years, we will carry out a partial enumeration, which will focus on all multiple residential rental properties with seven or more units. We have found population changes occur more frequently in multi-residential rental properties. The data generated from this partial enumeration will be supplemented by statistical data on occupants through (1) recorded ownership changes to all properties and tenancies of all commercial and industrial properties, (2) new construction and (3) verification and collection of new data concerning vacancies.

While the census in non-election years will not provide as comprehensive a population count as that produced through the full-scale enumeration, the combination of the data gathered during the partial enumeration, coupled with the supplementary information I have just highlighted, will provide a valid data base for municipal and school board planning purposes.

One of the major purposes of enumeration is to generate population data for the calculation of grants. The Ministry of Municipal Affairs and Housing will ensure that grants to municipalities are not adversely affected by this proposal.

Another major purpose of enumeration is to provide each ratepayer with the opportunity to designate his school support. Accordingly, the bill also provides that school support information will now be shown on assessment notices and rolls. This will be accomplished by transferring the responsibility for recording school support designations from the municipal clerk to the assessment commissioner and by reflect-

ing school support information on assessment rolls and assessment notices, which are mailed to every tenant and owner of property in Ontario. This measure will provide ratepayers with timely school support information and an expanded time frame within which to amend their school support if required.

In support of that, members are aware of my ministry's program of assessment open houses. The program will be expanded this year to afford every ratepayer the opportunity not only to discuss his assessment with the neighbourhood assessor but also to make any correction to his school support without having to go before the assessment review court. Once the assessment roll has been returned to the municipal clerk, the ratepayer will still have the right to complain to the assessment review court and have his school support changed in that manner. It is intended that school support appeals will be dealt with without requiring the taxpayer to appear before the assessment review court, since a *prima facie* declaration is sufficient to effect the change.

Finally, the bill clarifies and strengthens certain administrative provisions in the act. It is not my purpose to review these in my introductory remarks, but I do want to highlight two that will interest the honourable members.

Section 14 of the bill addresses the assessment of residential rental premises that are converted to condominium ownership. Currently, under section 65(2), a multi-residential rental building is assessed at a higher level of assessment than a condominium unit enjoying the same level of assessment to market value as a single-family owner-occupied residence in the area.

Recognizing the property tax benefit inherent in section 65(2), owners of multi-residential rental buildings in several municipalities are converting their properties to condominiums with the intention of continuing to rent the units. In larger municipalities, this trend has significant implications on the assessment tax base.

This section will serve to protect the tax base of those municipalities where the situation I just highlighted is prevalent. It also will ensure that bona fide condominium units will continue to be assessed as single family, owner-occupied residences.

9:40 p.m.

The second administrative provision that I want to bring to the members' attention is contained in section 6 of the bill. It has the purpose of providing that municipal taxes are to

be adjusted only when the appeal of an assessment is finally determined. This will avoid an interim adjustment of taxes on the basis of a decision that may subsequently be overturned, or altered, on appeal.

In connection with this, it is worthwhile noting that the vast majority of home owner assessment appeals are resolved at the assessment review court. Naturally, any reduction in assessment would result in a refund of taxes at that time, since very few home owner appeals are taken to a higher court. Both of those appeals from the assessment review court relate to commercial, industrial and multi-residential properties.

That is the end of my opening remarks relative to Bill 142.

Mr. Haggerty: Mr. Speaker, I want to address myself to Bill 142, An Act to amend the Assessment Act, and to support the principle of the Bill.

The minister has given a detailed outline of the proposed amendments, and I am delighted that he covered the matter of a census to be taken every three years. I am not quite sure why the ministry has chosen to carry out a census every three years. As far as I know, there has been no amendment to the Municipal Act, although the government is going to change the Municipal Election Act from two years to three years. With the proposed amendments under the Assessment Act, I suppose we can look forward to seeing an amendment to the Municipal Act that would indicate we will be moving from a two-year term to a three-year term for municipal councillors and school boards.

The minister did assure us that, once the census or enumeration has been taken throughout a municipality and if there have been a great number of changes in the number of persons in a municipality related to this area, if the population has increased, some adjustment will be made to the grants formulas for unconditional grants and per capita grants. Additional funding will be coming from the province to the municipalities; so there will be no shortcomings in this area. That does relieve some of the doubts by municipal councillors relating to this area.

In the area of the amendment as it relates to school support, whether it be a public school or a separate school, I can see there is merit in the changes there. But I question whether, if you want to appeal it, you should have to appeal it to the assessment review court. I find that there is difficulty in that a person dealing with local municipalities and with, say, the Planning

Act—now it would the Education Act—will perhaps have to lose a day's wages to make an appeal.

The minister is shaking his head to indicate no. But at one time municipality offices were open on a Saturday morning, giving a person working from Monday to Friday the opportunity to go in and review his assessment, to review the matters with the clerk and to file an application to whatever school board support he wants his property taxes referred to. I think it was under a section of the act at that time that in June of a year, if anybody wanted to change their school support, they would have to make an application to the clerk. That is important.

Now, as I interpret the act, one has to make an application to the assessment commissioner. I do not have to tell the minister the difficulties in this particular area. In the Niagara region, where we have an assessment commissioner, he could be in Hamilton and making contact from Hamilton to Port Colbourne or Fort Erie; one is looking at a distance of 50 miles. I do not know what difficulties other municipalities may encounter when people want to change their school support in terms of the distance they have to travel to make contact with the assessment commissioner.

I believe the old practice under the present act was to go directly to the clerk of the municipality and he initiated the changes to the assessment commissioner. It is always great when one can turn directly to the clerk of the municipality, who perhaps can be more helpful in this area, rather than trying to get hold of an assessment commissioner or assessment officer. I feel this may cause some difficulties for people who want to change their school support.

I suggest that, even as it is now with the assessment practices in Ontario and particularly through regions and counties, at one time one could go right to the municipality at any time through the week and get assessment information. One cannot do that today, because assessors are not located in the municipalities. I feel this regionalization of government services sometimes is to the disadvantage of the taxpayers in municipalities. I draw that to the attention of the minister. I think he is getting farther and farther away from the citizens who may want answers to some of the problems they may encounter in changing their school support.

I understand that a number of Roman Catholic school boards do have a particular person working for them who deals with nothing but this area of separate school support. From the

mail I receive here and at my riding constituency office, it seems they are looking for additional assistance through changing the assessment and building their support. They are not sitting back and taking this easily. They are out working to get increased Roman Catholic support for their school system, and one has to give them credit for that. They are out there working to get people to move in that direction.

I guess everybody, even the public school system, is looking for additional funding. I do not have to speak of the difficulties in that particular area. At one time the province was paying about 60 per cent of the cost of education to local school boards. Since the government is getting larger and school boards are getting larger, the cost now has shifted more on to the taxpayers and on to the area. The cost shared by the province is only about 51 per cent of the total cost of education. So there is a great shift back to local municipalities, and this is why each one of them out there is putting a drive on to get as many supporters as it can in either of the two school systems.

It is a fight for the dollar to help sustain a good school system and perhaps if the promise came through—and the government promised this over the years—again I say to the minister we are here to help him keep the promise to go back to the 60 per cent that we had a few years ago and that was promised in one of the elections. I suggest that is something he should be looking at, and he should come forward with that promise.

Another area I want to deal with is the following matter. I suppose we have to give credit to the document I have here. This is from the critical evaluation of the property tax system in Ontario prepared for the Ontario Real Estate Association by Ronald B. Hopper in January 1981. He talks in particular about the change in the condominium section, trying to decide on the language to interpret the word "vicinity." This was one of the amendments that had come forward.

When I look at this section about condominiums which the minister has discussed, there is another area to look at: Why are the developers of, say, rental units moving into condominiums? There must be a reason for it and, if the assessment is going to be lower in the condominiums than it is in rental property, then there must be some inequities in the assessment of the market value of rental property. If this is what the minister is doing, then he is driving these developers into condominiums; he is

going to move them from high-rise rental units, which will not be available for a number of people in Ontario, and he is going to create shortages.

9:50 p.m.

Maybe he has used the wrong formula to assess high-rise residential property. Is a person who is a developer and who has rental units available so different that he should be assessed much more than the average residential property or condominium property owner? Is the minister driving them that way because of the method that is used in the value of assessment on rental property? If so, then I think he had better take a good look at it, because he is going to create a serious shortage of rental units in this area.

I find it alarming, because if a person is renting the property there are other ways for the government to get tax revenue. If there is a huge profit to be made on rental property, they will pay it in some form of income tax. I suggest that this is an area the minister should look at. He cannot tax everybody too heavily, because he will drive them the other way. This way they are going into condominium units.

Of course, he has this amendment here to plug the loophole so that you have to buy it, not rent it. But I suggest that he is causing the problem.

The other area that I think is of much more concern to a number of us, and it has been brought to my attention in his brief, is one that relates to section 16, relating to the deferring of the market value assessment. The minister told us that a number of municipalities—I believe it is 120 more—have moved in the direction of section 86 of the act, and he indicated that about 50 per cent of all the municipalities in Ontario have moved in that direction.

I suppose this is the only alternative they have, because the minister is not going to bring in market value assessment. I was looking in here, and I thought they had indicated in here—yes, they have, on page two of their brief: "It has now been 10 years since the province assumed the assessment function in Ontario, and little has been accomplished. We are now told that market value reassessment has been shelved indefinitely."

If that is the case, and this group has been told that market value assessment has been shelved indefinitely, why does the minister or this government not have the courage to come in and say, "We have shelved it, and we want to remove it from the Assessment Act"? Every

year he brings in the same amendment, and he is deferring it for another year. He cannot have it both ways.

It is interesting that New York state was running into the same difficulty in relation to market value. Here is what they have said, and this was taken from the Buffalo Evening News of October 29, 1981:

"The New York state Legislature passed a bill that for the first time in nearly 200 years makes fundamental changes in how property is assessed in New York state for tax purposes. The measure at least temporarily ends six years of controversy that began in 1975, when the court of appeals ruled that the state must comply with a law on the books since 1778 requiring all property be assessed at full value. The price of a home or commercial building would bring as sold. Since that ruling, assessing units have moved to full-value assessment."

I suppose this would be fine, too, if it made it mandatory in the United States, but it is every other municipality that may want to use this procedure. "By appealing the almost two-century-old law would likely stop most of that movement." They have shelved the principle of continuing with market value assessment in the United States, because it has not worked and they cannot administer it. They came up with a program that they call revaluation, and I think this is the area that New York state will be moving into. It perhaps would be fairer and more equitable to move in this direction.

I believe I have suggested to the minister over the years during which I have been critic in this area that there is nothing wrong with the old assessment practices, provided that the assessment manual is applied across Ontario; but he failed to do this until he brought in the amendments to the Assessment Act—I believe it was back in 1970—and he has frozen the assessment from that day up until now.

Section 86 is a good section as far as it goes. It does remove inequities on similar properties within that municipality as it relates to residential property, but it does not go any further than that. It should include industrial and commercial properties. All we are dealing with under section 86 is residential property.

The minister shakes his head to indicate no. I do not know. I have a letter to the editor here, and the headline reads, "Market Value Assessment Not Accurate Gauge: Writer." This letter is from Ronald G. Birch, Niagara-on-the-Lake, chairman of the Property Owners Association for Tax Reform. The minister knows this one; I am sure he has read it. It says:

"The Editor: We refer to a letter to your paper of Friday, October 2, 1981, 'Market Value Views Confusing,' by David Rosier, MIMA, Institute of Municipal Assessors of Ontario.

"Our letter was well intentioned, but was nevertheless confusing and inaccurate in Mr. Rosier's mind, although he claims to be an expert. Our answer to Mr. Rosier's second paragraph is that we are now dealing with the end of the twentieth century and not with the archaic methods to which he is referring and is still accustomed.

"Quote: 'The courts to the highest level consistently interpreted actual cash value and market value to be synonymous.' It is absurd for Mr. Rosier to have mentioned the various stages that property assessment has gone through over the years. He has not admitted that the 'values' and regulations, not to mention the Assessment Act, were never adhered to or followed;"—I would have to agree with that—"nor were they used in section 86(3) reassessment.

"Mr. Lettner, Assistant Deputy Minister of Revenue, has agreed with the statement made by the Property Owners Association of Niagara-on-the-Lake in the presence of the Honourable George Ashe, Minister of Revenue, that 'the system' used for reassessment under section 86(3) is essentially the same as all previous systems used in this century, thereby totally ignoring 'actual values,' 'cash values' and the modern term 'market value.'

"We agree that market value is used in many places, but there are very few places where it is applied properly or where it works satisfactorily. There are more places where it causes havoc due to the fluctuation of the market and improper application, creating more inequities and excessive tax revenue in various sectors. Remember Proposition 13 in California?

"Mr. David Rosier in his seventh paragraph is referring to the market value assessment of the 1940s, 1950s and 1960s. We have a letter from Premier William Davis saying that even after reassessment under section 86(3), farm properties were not assessed at actual market value.

"We have also a letter from the Minister of Revenue, wherein he states, 'When section 86(3) program was introduced in the town of Niagara-on-the-Lake, every property was assessed at its market value as of 1975.'"

The Deputy Speaker: Is it worth while to bring to the attention of the member that under standing orders one is not supposed to read at length?

Mr. Haggerty: I will come to where they really get to it:

"Mr. W. G. Lettner, assistant deputy minister, stated in his address to the Ontario small urban municipalities in May of this year, 'The advantage of section 86(3) is that it allows ratepayers to find out what their market value is or what their opinion of market value is,' also 'that section 86(3) is a first step towards market value assessment'."

The minister cannot have it both ways. Mr. Birch goes on to give examples: a property bought in 1974 for \$3,000 had an assessed value in 1975 of \$42,000; a property bought in 1975 for \$100,000 was assessed in 1975 at \$52,000; and a property bought in 1975 for \$27,000 was assessed the same year at \$37,000. One can see the inequities and discrepancies that still exist in this particular area of assessment under section 86(3).

10 p.m.

That brings me to another point. It is a voluntary measure if the municipalities want to venture into section 86(3) of the act for reassessment of certain properties within the municipality. That is fine, but there are areas where, when one walks into regional government, one or two counties are taken in where the apportionment cost varies considerably. For example, in my area I am sure that, if section 86(3) applied across the whole region, it would be acceptable and would remove the inequities that may exist in larger municipalities because we do not touch the industrial sector.

In regions like the Niagara region, and I am sure there are others, one has a healthy industrial segment. Where section 86(3) applies to a rural municipality, they can be short-changed in the apportionment costs to the region because of the reassessment within that community. It does not change the overall numbers but it changes where there is a discrepancy for persons—

Interjection.

Mr. Haggerty: Mr. Speaker, you had the same problem and you know what I am talking about. One of the faults with this government is, when it introduced a restructured county form of government and brought the cities back in, we should have had a reassessment at that time to find out actually what method they were using in assessment.

In the county I represented a few years ago, the assessment value at that time was between 33 per cent and 37 per cent of what they considered market value, which I thought was a fair approach to take. They came in with market value that is supposed to be 50 per cent of the

value. That has been shelved year after year, and it does not remove the inequities in all the municipalities. Some place along the line, smaller municipalities are perhaps being assessed more and perhaps in proportion have to carry a higher cost of the regional levy than a healthy municipality with a healthy assessment.

I am talking about an assessment ratio of maybe 50 per cent industrial and 50 per cent residential. Take a smaller community that may have 80 per cent residential and perhaps 20 per cent commercial, and I can tell the minister there can be a major tax shift on to those property owners in that area and throughout the region.

I suggest to the minister that if he gets off his good intentions and withdraws market value assessment, comes in with some form of reassessment at 37 per cent of the market value today and then starts from that area, it will be a step in the right direction. But it has to be done with uniformity across all the regions and all the restructured counties. I suggest the minister should be moving in this area.

As long as the minister is going to bring in a bill every year to further delay or defer the implementation of market value assessment, then I do not think it is going to resolve the problems that face the municipalities today.

The minister cannot have it both ways. I think he should show some of the courage that was shown in New York state and say, "Look, that is what we are going to do." As I recall, I believe that was the old assessment practice years ago. If we go back a few hundred years in Ontario, assessment was perhaps done more equitably than it is now, because it was based on the wealth of the property owner. For example, if a person had 10 head of cattle, he paid so much per head. If he had so many horses, he paid so much. The same thing went on down the line. It was based more upon wealth than anything.

The Deputy Speaker: Too arbitrary.

Mr. Haggerty: Too arbitrary? Well, that is when the lawyers get into the picture. But they are still here even under the amendments to the act. Maybe it is a matter that should be based on income. I have often heard my former leader, the member for Brant-Oxford-Norfolk (Mr. Nixon), say this is the approach we should be taking, one based on income.

Looking at the manual some people have today for assessment, if one goes by what they are trying to interpret, I do not know how they can walk into the house and say, "Do you have oil paint on your walls or do you have latex or

semi-latex?" One is worth 10 cents a square foot and the other is worth 13 cents a square foot. It is hard to determine the actual value when somebody comes. There is only one person who knows the actual value of property—

The Deputy Speaker: The person buying it.

Mr. Haggerty: — the person buying it and the person selling it.

Mr. Charlton: That's two, Ray, not one.

Mr. Haggerty: That's right. In Sweden, I believe the practice is that the property owner puts a value on his own property. If he sells it for more than what it is assessed for, then it all goes to the state or to the province.

I suggest there are other areas, and I suggest that it is time for the minister to get up and say, "We are not going to introduce market value assessment. We are going to come up with some other program." I am sure if he sits down with the municipalities, they would come up with a fair and reasonable approach to bring equity within assessment to the municipality without him having to threaten and to say, "We are going to move to market value assessment." They have no intention of doing it.

For 10 years they have held it in mothballs. The former Treasurer, Darcy McKeough, would come back with report after report and say, "We are going to change it." All he did was throw a number up there and try to work around that number, not actually dealing with assessment at all.

When we get right down to assessment, it is nothing but a con game. They raise the assessment and lower the mill rate. They have to do one or the other. It is the only way that municipalities can generate revenue. The time is coming when the municipality will have to pick up another 10 per cent. It is as I said, the province has neglected its responsibility towards the cost of education, and that means the municipality has to pick up 10 per cent. I can think of reports that come before the county if they want to go out to do some major road expenditure. For example, we had consultants come in on that; they said the only way we are going to generate enough revenue to do the road work is to change the assessment. That why it is a con game. If we are going to spent \$10 million or \$20 million on a road program then the assessment has to be altered to pay for it.

We will either want to bring in a good road program or get along with just what we can get from the province on grants and live within that, or change the assessment to get additional

revenue. It is not that easy to do, since there are not many who are brave enough to go out and do that. I think we have learned from experience in the past that people are concerned about the mill rate.

In fact, years ago, and I am sure the minister will agree with me, it was felt that once the mill rate was up around 100 that was a dangerous level. Municipalities were almost considered bankrupt at that level. In the 1930s a number of municipalities went that way and they said there was no way they wanted the mill rate to get that high. They used to have a practice back in the 1950s and 1960s to change the mill rate a little bit so that it never got that high, but they would always change the assessment.

It is a way to generate revenue for the municipalities. They are getting into an area that is tight for money; so they are going to have to scramble for additional revenues. Eventually, they are going to have to put up the assessment to generate that revenue because the province and the federal government have failed in this area to pass down those transitional grants. I do not have to remind the minister of the Edmonton commitment. If that had come through, perhaps we would have moved in the area of market value assessment.

Mr. Bradley: How well I recall the Edmonton commitment.

Mr. Haggerty: Yes. Those fellows over there have a short memory. That is another one of the promises that they are going to have to live up to over there. If not, they are going to be overnight guests. It could happen, but I suggest there are areas here where they have got to take the bull by the horns and say to the municipalities, "We are not going for market value assessment; we will go to a form of revaluation," and let the municipalities decide what factor should be used, provided it is uniform within a region or county structure.

All property cannot be based upon the values in larger communities, because it changes. I have said time and time again to the minister that if one buys a home in St. Catharines, one can buy the same home in Fort Erie or Port Colborne and pay \$20,000 less. It is the same home, built by the same builder. In fact, the same brick and mortar go into it. The member over there who comes from close to St. Catharines might agree with me that the same builder can put up three different houses at three different values and they will still look the same.

You would be surprised at what you can do with a cosmetic approach to real estate proper-

ty. It is being done every day by builders. If you look into the manual they have today, you will see that there are different categories of homes in it, but I think you will find that the majority of homes built today are nothing compared to the building principles suggested in that manual. It is not a two-by-four any more, is it? It is about a two-by-three, and you are lucky to get that. It is difficult to get four inches of insulation between them.

10:10 p.m.

There is so much wrong with the manual. I believe it was engineered in the state of California. I mentioned Proposition 13, and I hope it does not follow the manual. We thought they had all the answers on the other side, but they do not. New York state has changed its mind already. But they have had the courage to say, "We are not going to market value assessment: it will not work, because there are too many regions in the state of New York," as there are in Ontario.

I suggest that there has got to be a common factor, a manual that will be valid across the province according to what they feel property is worth in a particular region or community. It will work, but not if you do it in a piecemeal fashion or in an ad hoc way by bringing in a bill every year.

I hope it does not go on for another three or four years. Now that the government has a majority, I hope it will come forward and say, "We are not going to market value assessment," and let it go back to the regions. Let them have the authority to say, "We are going to have revaluation." There are all kinds of property out there that are not even on the rolls yet in a number of cases.

An assessment notice was brought to my attention recently by a person who renovated and added to his home. His property is being assessed too high in comparison to other properties in his area. That is one of the problems when we have new homes today that are assessed much higher under market value assessment than homes that were built 10 years ago: they are paying almost twice the amount in municipal taxes each year.

In a residential subdivision where the house has been built under a developer all the services are paid for. The municipality does not have to borrow money to finance the services; they do not have to debenture any debt at all, because it has been paid for by the developer. Yet their taxes are almost three times as high as those of any other residential property in a municipality.

I find it in Fort Erie, Port Colborne and even in Wainfleet. I am sure that if I went into the member's area, I would find the same thing. I do not think this is a fair approach to take, since there has been no cost to the municipality.

Another area the government should look at is where the developer is forced to put in underground cable for residential housing. That can be damned expensive in some municipalities where it is all rock. That is another cost that is added to the property owner's assessment, because the value is there. That is wrong. Sometimes you might say, "Well, the utility has the responsibility for putting that wire up there." But when it comes to some developers, some municipalities will take a certain place and say, "Well, it is going to be underground cable," and the poor guy who is buying that property has to pay an extra \$5,000 for the underground service. Yet it belongs to the utility.

Mr. Dean: He does not have to buy it.

Mr. Haggerty: Oh yes, he does. Municipal councils say this is what has to be done. If he wants to buy property there, he is going to pay that cost. The member says he does not have to buy it. Well, if there is not much property for sale, if that is the only home for sale, he is going to have to pay that price if he wants that piece of property.

Even section 86(3) to a certain extent removes some of the equities within the same properties.

Hon. Mr. Ashe: Inequities?

Mr. Haggerty: Not in everything, no. I do not think it touches the commercial or industrial sector at all.

Mr. Dean: Sure it does.

Mr. Haggerty: The minister say it does. I have not seen that, and that is not the information conveyed to me. It just relates to residential property.

Hon. Mr. Ashe: We'll give it to you right from the horse's mouth.

Mr. Haggerty: I hope it is from the horse's mouth.

We do support the bill. Now with the majority government they have over there, I wish they would either have market value assessment or remove it completely from the act. They cannot defer it year after year. We will gain nothing by it.

Mr. Charlton: Mr. Speaker, on behalf of the members here this evening, I wish to thank the member for Erie (Mr. Haggerty) for providing

some comic relief. He commented about the member for Wentworth (Mr. Dean) being an overnight guest, and it was so nice of him to provide a sleeping potion to go along with it.

I want to comment on a number of aspects of this bill and briefly slip in a response to some of the minister's comments in his wrapup on the last bill, since this is probably the only opportunity I have to do that.

Hon. Mr. Ashe: Not relevant.

The Acting Speaker (Mr. Cousens): We are speaking to Bill 142.

Mr. Charlton: I agree, Mr. Speaker, and Bill 142 deals with assessment and property taxes. The minister was commenting on seniors' property tax grants and how seniors should be able to take a property tax grant, which is supposed to assist them in paying their property taxes, and use it to convert their furnaces. I do not consider that a very appropriate approach to the use of a property tax grant, which is supposed to assist them with their property taxes. If the minister wants to assist them with home heating, let us do that. But let us not play games with other programs.

I am rising in support of this bill. We do not have many serious objections to the items contained in this bill. I want to comment about some of the approaches reflected in the bill. I have no problem with the sections dealing with enumeration and school support. I am somewhat happy to see them. In the case of school support and the changes made over the past number of years, this reversion to what we used to do in terms of the responsibility of collecting school support information and setting it out is a reflection that sometimes change is not all that good.

Perhaps we should look a little more carefully at the changes we make from time to time in the processes we use in this province, especially the processes that are tried, tested and proved by lengthy periods of success. This particular revision and movement back to a process we used to have in Ontario is an appropriate one but speaks to the question of looking at and thinking a little more carefully about the changes we make, especially administrative changes which affect people's ability to participate in processes set out in legislation.

For example, in his opening remarks the minister made the point that going back to the process of setting school support in the enumeration process and through the Assessment Act process extends the time in which they can avail

themselves of changes in the school support they end up being shown with. This is very appropriate. In terms of citizens' relationships with government, especially as government becomes bigger and more distant, the more opportunity citizens have to find the problems in that system and to deal with them, the better.

10:20 p.m.

Going to a full enumeration only in election years is appropriate in terms of the costs we have gotten into in enumeration in the last few years, especially since the takeover by the province. There was a time, not all that long ago but long forgotten since the government took over the assessment process, when the assessors themselves used to do the enumeration as well as doing all the assessment. Unfortunately, experience has shown that when they were trying to do both jobs, the assessment of real property and the assessors' ability to keep assessments updated suffered dramatically. That is reflected in the current assessments across most of the province. So it is appropriate that the enumeration process should be separate.

It is also appropriate that we try to limit the cost of that process. I offer one caution to the minister in this. I think the annual enumeration of large rental residential accommodation is in part an effort to deal with what I am going to comment on, but in the enumeration process that has been carried on by the assessment people in Ontario there has been some problem, especially in large residential rental properties, of finding people home, and never getting up-to-date names on to the assessment roll.

The caution simply is: If we are going to go to a two-year enumeration, and possibly a three-year enumeration if we should happen to go to three-year elections at some point, the job is going to have to be done very carefully, because even with the annual enumerations we had some problems in obtaining accurate names, especially in large residential properties. It is important and imperative, in terms of the democratic rights of taxpayers in the municipalities, that their government see to it that the enumeration is done properly and thoroughly.

The sections of the bill dealing with the postponement again of market value, as my colleague the member for Erie suggested, raise some serious questions in terms of this government's ability to really deal with the problem of overall and significant property tax reform in the province.

There is continual reference, this year, last year, the year before and the year before that, to

the benefit of the section 86 program, and I have said repeatedly in this House, "Yes, there are some benefits in the section 86 program." But that program does not deal in any overall significant way with the problems in the property tax sector in Ontario. I think the minister is well aware of that. If he is not, then he should sit down and read the comments of his predecessor in this House.

The section 86 program has some benefits for many taxpayers in Ontario, but it does not come close to solving the problems in the property tax sector. That is a major job still to be gotten on with. There are many of us, even some of us who worked in the assessment division and who worked on market value, who are not sure that market value is the correct approach to take to solving those problems.

I will skip to that now. The sections of this bill which deal with rental premises being converted to condominiums and set up a transition period for property tax purposes point very

clearly to the problems that I and some others see with the whole market value approach to property taxation.

What I would like to explain to the minister and the other members here tonight is exactly what those sections mean. I do not think anybody here is going to disagree with these amendments in the context of the Assessment Act as it exists. But I think all members should be clear what these sections really mean.

The Acting Speaker: Might this be an appropriate moment for the member to conclude?

Mr. Charlton: Perhaps you are right, Mr. Speaker. I can conclude my comments the next time this bill comes forward, presumably Thursday night.

On motion by Mr. Charlton, the debate was adjourned.

The House adjourned at 10:26 p.m.

CONTENTS

Monday, November 9, 1981

Second readings

Ontario Guaranteed Annual Income Amendment Act , Bill 94, Mr. Ashe, agreed to.	3335
Ontario Pensioners Property Tax Assistance Amendment Act , Bill 137, agreed to.	3337
Assessment Amendment Act , Bill 142, Mr. Ashe, adjourned.	3349
Adjournment	3358

SPEAKERS IN THIS ISSUE

- Ashe, Hon. G. L.; Minister of Revenue (Durham West PC)
- Boudria, D. (Prescott-Russell L)
- Bryden, M. H. (Beaches-Woodbine NDP)
- Charlton, B. A. (Hamilton Mountain NDP)
- Cousens, D.; Acting Speaker (York Centre PC)
- Cureatz, S. L.; Deputy Speaker (Durham East PC)
- Dean, G. H. (Wentworth PC)
- Epp, H. A. (Waterloo North L)
- Gillies, P. A. (Brantford PC)
- Haggerty, R. (Erie L)
- McKessock, R. (Grey L)
- McLean, A. K. (Simcoe East PC)
- Newman, B. (Windsor-Walkerville L)
- Nixon, R. F. (Brant-Oxford-Norfolk L)
- Samis, G. R. (Cornwall NDP)
- Villeneuve, O. F. (Stormont, Dundas and Glengarry PC)
- Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)



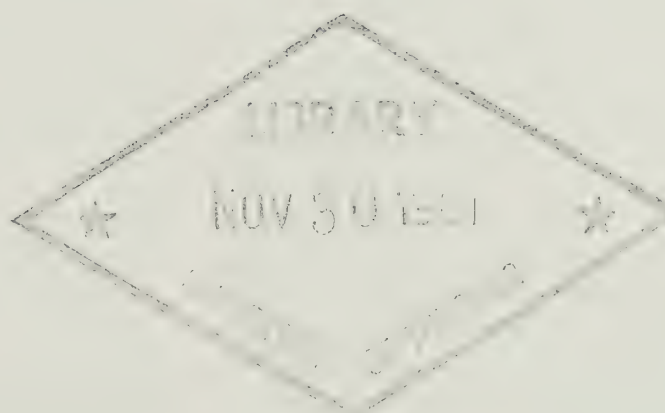
Ontario

LEGISLATIVE ASSEMBLY

No. 94

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Tuesday, November 10, 1981

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

Tuesday, November 10, 1981

The House met at 2:02 p.m.

Prayers.

STATEMENT BY THE MINISTRY

FILM CENSORSHIP AND CLASSIFICATION

Hon. Mr. Walker: Mr. Speaker, I want to make some comments about the Ontario Board of Censors. Today I will be introducing for first reading amendments to the Theatres Act which will substantially modernize the existing legislation.

Members will recall that last June I announced a new system for classifying films and outlined changes in the censor board itself. The new film classification system, which became effective in August, appears to be working very well. The restricted category remains, with admittance limited to adults aged 18 or over. A new category, adult accompaniment, was introduced, and permits people aged 14 or over unsupervised theatre entry; significantly, children under 14 can be admitted if accompanied by an adult. And the general film category was divided into two subcategories, one designated family and the other parental guidance.

The creation of the adult accompaniment classification was an important development that has been popularly acclaimed. It has encouraged the theatres branch in my ministry to designate many more films as adult accompaniment rather than restricted, enabling teenagers to see significant films that were previously prohibited to them. This new category also enables parents to take their children under 14 to these movies if they wish, shifting moral responsibility from government on to the parents, where it properly belongs.

The second development I announced last June was our intention to restructure the film censor board. Members will recall that decisions about film classification and film censorship were being made by a board of five full-time and three part-time members, all of whom were civil servants. I am sure members on both sides of the House shared my discomfort with the notion that civil servants were responsible for reflecting community standards. It seemed to me that if

we were to continue with a film censorship board in response to public opinion then we should at least appoint people from the community who could more accurately reflect standards of acceptability.

We are in the process of creating a new board of censors that will have a minimum of 25 part-time members. Seven individuals already have been appointed, and others will be selected in the coming weeks, to reflect Ontario's ethnic, cultural, social and occupational character. We hope this restructuring will make the board more adept at interpreting contemporary and changing community values. I wish to thank members on both sides of this House for their recommendations on appointments and welcome further names for consideration.

The amendments I will be introducing to the Theatres Act will further refine and modernize the board's operations. One revision sets out the censor board's power to designate a film for limited exhibition in a specific place. This should permit the board flexibility to deal with the noncommercial showing of films to special audiences. We hope the revision responds to the recommendations received from the arts community.

The revised act also formalizes an appeal procedure for people who submit films to the board. In the past, the board has reviewed its decisions when requested. That procedure has not been acceptable to either this government or the film industry. The revised act now gives the person submitting a film the right to have the decision reviewed by five board members who did not participate in the original classification or censorship decision.

In this context, I should point out that during the past few months the board has substantially improved its accountability to the film community and the public. Anyone can request, and receive in writing, information from the board on film cuts and the rationale behind them. As well, the board is making available on request its screening procedures and classification criteria.

There are several housekeeping changes in the act, but I do want to draw members' attention to one other significant amendment. Currently, a film distributor is required to

submit to the board every copy of a film. Each copy is then stamped and certified. We appreciate that this is a rather unnecessary and costly procedure for both distributors and the theatres branch.

With the amended act, only the first copy of a film will be stamped, and an approval certificate will be issued for all subsequent copies. This will greatly reduce a distributor's transportation costs and enhance the productivity of the theatres branch.

However, all copies of films with eliminations will continue to be stamped by the board. As film censorship is actually a rare occurrence in Ontario and happens far less frequently than press reports would lead one to believe, these exceptions will be a minor processing inconvenience.

VISITOR

Mr. Speaker: Before proceeding with oral questions, I ask all members of the assembly to join me in welcoming and recognizing in the Speaker's gallery the Honourable Gerald A. Lawrence, Minister of Public Works and minister in charge of administration of the Communications and Information Act, from Nova Scotia.

INACCURACY IN NEWSPAPER

Mr. Smith: I have a point of privilege, Mr. Speaker. During my six years here, the Toronto Sun has said many things about me and my party that have been less than flattering.

Some hon. members: But true.

Mr. Smith: True or not, they have been less than flattering. At times they have been hard to take, but I have rarely stood to object to anything written in that paper. But this time they have gone too far.

An article on page 93 of that newspaper was brought to my attention today. It deals with the member for St. David (Mrs. Scrivener) and says, in addition to other things, with regard to the Ontario Housing Corporation "empty nest" problem, "We asked her if she knew what the problem was and she said she didn't," which is surprising, of course, for someone who has the largest number of OHC tenants in Ontario in her riding.

But that is not what is shocking. What is shocking is in the previous paragraph, where it says, "The delegation spoke to Scrivener, a Liberal." Our party draws the line at that, and we feel our privileges have been grievously assaulted in this article.

Mr. Speaker: Thank you. I am sure the report in question will be corrected.

2:10 p.m.

ORAL QUESTIONS

ONTARIO ENERGY INVESTMENT

Mr. Smith: Mr. Speaker, I want to direct a question to the Minister of Energy. I am sending over to the minister a list of certain contradictions that have appeared on the subject of Suncor. These are contradictions between himself, in some instances, the Premier (Mr. Davis), Mr. Malcolm Rowan and the Treasurer (Mr. F. S. Miller) on some fundamental aspects of the Suncor deal. I ask specifically if the minister will try to clear up these matters for us.

I start with the matter of the financing of the second half of the Suncor purchase. The minister will see there are quotations indicating plainly that the other \$325 million "will come from Ontario and the moneys will be obtained here in Ontario." That was the Premier. Then we have: "The financing will be accomplished by tenure notes to Suncor." That was Mr. Rowan. Then we have from the Treasurer: "Ontario will raise the \$325 million without borrowing." There are several other quotations, finishing with the Treasurer saying: "Financing of the second \$325 million is still up for negotiation. It will not necessarily be by notes at the 17 per cent interest rate" and so on.

Given that the way the government is going to pay for the deal is a fundamental aspect of this purchase, will the minister explain the reason for the confusion on that matter?

Hon. Mr. Welch: Mr. Speaker, I have not had an opportunity to review all the material set out on the sheets the Leader of the Opposition has been kind enough to send over. On page four, I catch an error that I thought I had corrected at the time of my participation in the debate in the House last Tuesday. I refer to the second quotation on page four, which should read, "We have said that we expect a minimum rate of return of about 15 per cent," not that we do not expect it. As it goes on, "We do, of course, anticipate that the return will be higher." The emphasis there was on the fact that it would be a minimum return and there should be something higher.

If the Leader of the Opposition will go back over the material we shared with the House on Tuesday evening as part of that debate—I do not have it here now—we did indicate that the second half would be repaid over a period not to

exceed 10 years and at a rate yet to be negotiated.

In other words, the very points the Leader of the Opposition makes reference to today are some of those areas now under discussion, dealing as they will with the finalization of the dividend policy which has to be put in place, the rate of return to which he has made reference and the borrowing rate which, as we pointed out in answers given earlier, has to have some relationship to the advantage the province itself has in so far as interest rates are concerned.

If I can summarize, we are at the moment finalizing those repayment details, which will be wrapped up in the finalization as to whether it has to be 10 years or can be some period of time shorter than 10 years, and the finalization of the details of the dividend policy. It was on the basis of this information that I was able to indicate we felt the payment terms would be self-financing.

Mr. Smith: On that point, the minister undoubtedly will agree that if it is to be paid for out of profits, as originally indicated, it brings up the problem of dividends flowing to Sun Company for the remaining three quarters of the shares. If it is to be paid for out of other borrowing instead of profits, it increases the deficit. That is a fairly fundamental issue. I trust the minister will agree.

On the matter of the rate of return, I ask the minister to look at the quotations where the Premier says, "We can expect a rate of return of 15 per cent." Then we have the Treasurer saying: "The potential for receiving dividends still exists. The fact they have not been paid in the past does not mean they will not be paid." The Minister of Energy says, "We expect a minimum rate of about 15 per cent." The Treasurer then says: "I do not know where the 15 per cent came from. I saw it in the press."

Will the minister explain to us the reason for the confusion about what rate of return is expected by the province?

Hon. Mr. Welch: In summary, I can add little to what I have already said. The minimum is expected to be 15 per cent; it is anticipated that it will be higher. Of the two options which the Leader of the Opposition gave at the beginning of his supplementary, it is the first. We are working on the assumption at this stage, on the basis of the figures I have, that it will be paid from the earnings we will receive, as I have already explained.

Mr. Martel: Mr. Speaker, the minister will recall that last Tuesday during the debate I

suggested that he should separate the matter of the interim supply motion and establish some sort of working committee to take a look at the relevant facts and figures, keeping in mind those that are confidential. Is this government now prepared to meet that request and provide some forum where this matter can be resolved once and for all?

Hon. Mr. Welch: Mr. Speaker, in fairness to the honourable member who asked that question, I should point out that on the basis of my examination, and certainly following up with those who have been advising us with respect to these transactions, I have been told, and have no reason to disbelieve the information I am getting, that all the information that does not in itself contravene the agreement of confidentiality is public and has been tabled.

It may well be that in interpreting this information or in further understanding exactly what it does include, some vehicle can be found for its interpretation, or even some questions on information that is public. I am prepared to review that with the honourable member or anyone.

But I do want to get to the bottom line that, according to my information, all the information that is available has been made available or is public, except, of course, that information which at this stage would contravene the undertaking with respect to confidentiality.

Keeping in mind that even our negotiations are still going on; keeping in mind that the government intends to table the final agreement; keeping in mind also that, to be consistent with the reason for our involvement in the first place—that is, the Canadianization of this company—there are still other buyers to be obtained; and keeping in mind the information to which the articles of confidentiality apply, that is all the more reason why at this stage we want to respect that undertaking.

Mr. Smith: Given that so few of the honourable members opposite were in on the deal to begin with—I gather that there was the Premier, Mr. Rowan and a couple of cabinet ministers, maybe three at most—can the minister possibly explain how there can be such major confusion even among themselves on matters as basic as how they are going to pay for the stuff and what the rate of return is going to be? How can there be that much confusion among the few of them who were in on this deal to begin with?

Hon. Mr. Welch: I suppose I will start by saying that there was no confusion. I point out

to the Leader of the Opposition, with one correction on page four, that we are talking of a minimum rate. I have said in answers on several occasions that some of these details are yet to be worked out—

Mr. Smith: How you pay for it and what your rate of return is?

Hon. Mr. Welch: No. I am speaking of the general parameters. We have talked about the maximum period of time during which the repayments would be made. We have talked about taking advantage of borrowing rates that are unique to the province of Ontario. We are talking about working out a dividend policy, which one would understand would have to be worked out. Ultimately these will be encompassed in the formal agreement and all of them will be tabled.

SKILLED WORKER SHORTAGES

Mr. Smith: Mr. Speaker, I have a question for the Minister of Industry and Tourism. We on this side of the House have been questioning for at least five or six years the shortage of skilled manpower, and the minister himself has made a number of speeches about the importance of high technology, skilled manpower and so on, and about his commitment to the high-technology option for Ontario.

After these many years of arguing and discussing in the House, when the government's main policy seems to be to send raiding parties over to England from time to time to try to recruit people to come here and work, can he explain how it is that a report has now come out about an electronics company called Bayly Engineering in Ajax which estimates that it will require 1,000 skilled technologists and engineers by 1986 but it has to go outside Ontario to hire these people because of shortages of skilled workers in Ontario?

2:20 p.m.

Hon. Mr. Grossman: Mr. Speaker, as we have discussed in the assembly before, from time to time the number of skilled workers needed by firms in a particular field is not available. In those circumstances, as I think the honourable member will recall, that is verified with the Department of Employment and Immigration in Ottawa and with the unions involved, if any; it is ascertained rather definitively that nowhere in Canada are those workers available.

In those circumstances I think it is only reasonable for the firms, rather than not to undertake the work, to get the workers from

somewhere else. This is what every other industrialized nation in the world does. The normal rule of thumb is that if we have one skilled worker from outside this country, that provides about seven or eight other semi-skilled jobs. On balance, I think it is a reasonable procedure to follow, given the problem of matching skills to demands.

Mr. Smith: Since the minister has clearly misunderstood the import and the intent of the question, perhaps I can ask it somewhat differently.

Does the minister not understand that the concern is not that the company might be hiring people who are available here but that his government, despite its professed support for the high-technology industries in Ontario, has failed over the past five and six years to produce the skilled manpower required by these various industries for Ontario's industrial survival?

How can he explain his inactivity and lack of success over the past five or six years so that we now are at a point where manpower is the most serious problem of high-technology firms? This one company in particular may have to go for hundreds of people, and perhaps even 1,000, outside this country in the next few years.

If he really cares about this industrial strategy, then how does he account for his failure to produce the people needed by these vital industries?

Hon. Mr. Grossman: When we put the level of the problem into perspective, I think it gives a little better view of it. We have a work force in Ontario in excess of four million people. Each year our selective placement services assist in getting about 1,000 people out of four million.

Mr. Smith: You're keeping a straight face; I'll give you credit for that.

Hon. Mr. Grossman: Those are the figures; the member can check them anywhere. We have a mismatch of skills in Ontario of about 1,000 people out of four million people in the work force.

Quite seriously, there is no jurisdiction anywhere that can succeed with 100 per cent accuracy in forecasting its mix of job skills to demands. In the high-technology industries particularly it takes about three or four years to train some of these people; so it means one has to forecast with 100 per cent accuracy what the job skill demands are going to be in 1985, to begin to train them today.

If we look at the experience in any other industrialized jurisdiction and consider that we

are in a situation where we need to import 1,000 out of four million, we are far outperforming any other jurisdiction in estimating the demand for job skills and matching them over any given time frame.

Mr. Breagh: Mr. Speaker, I want to ask the minister if he can explain why he has not done anything to co-ordinate, for example, the new CAD/CAM centre at Durham College and the Durham Organization for Industrial Training, both of which are existing facilities in the Durham region that could provide the kind of skilled tradespeople that the Bayly Engineering project wants and needs.

Has he tried in any way to co-ordinate the placement and use of those existing facilities and training services to fill those jobs? Or is it because his government had nothing at all to do with that Bayly Engineering job site and they are just deciding to let this one fall by the wayside?

Hon. Mr. Grossman: Of course, Mr. Speaker, the honourable member knows that latter is not true. I could be wrong, but I think we helped Bayly Engineering in some way or other. The facilities in the member's area—and Durham College in particular, which is headed up by my former director of trade, a very esteemed and reputable gentleman, Mel Garland—are very capable and skilled in the kinds of problems mentioned. They have, I think he will agree, a pretty good record of co-operation with industry in that area.

If there is any part of the province that particularly has made an effort, a successful effort for the most part, to match skills to the demands of the industries around that area, it is Durham. Indeed, I hold that up as an example to some other parts of the province.

Mr. Sweeney: Mr. Speaker, given that the minister indicates the reason we have to go outside Ontario to find these people is the necessary lead time and given that we know what our needs are right now, why is it that a company like Linear Technology in Burlington has indicated that the very kind of people it already projects it is going to need are not being trained in our colleges and schools right now?

For example, Doug Barber, who is the vice-president of Linear and who teaches at McMaster University, points out that four out of five of the students who are applying for engineering in these very areas cannot get accepted by our colleges and universities.

Hon. Mr. Grossman: Mr. Speaker, with respect, when the honourable member com-

pares the programs jointly instituted by the Ontario Manpower Commission, through my colleague the Minister of Labour (Mr. Elgie), and by my colleague the Minister of Colleges and Universities (Miss Stephenson), he will find those spaces are there.

The success of the programs undertaken in the past few years by this government is literally unmatched by any jurisdiction anywhere. If the member wants the facts on that, he should ask my colleagues; they will give him the details—it may take all the rest of question period for them to give him all the facts and figures on all the programs being mounted by this government.

EMPLOYEE HEALTH AND SAFETY

Mr. Martel: Mr. Speaker, I have a question for the Minister of Labour, and I hope he has had time to check up about ITT Aimco, since he did not know about it last Thursday.

Is the minister aware that in early July a Mr. Santos reported an unsafe condition in the work place, namely, that the handle of the scrap basket he was forced to empty was broken off and there was a danger of someone being injured?

Is the minister further aware that the supervision did not take any opportunity to have the condition repaired, despite a second employee reporting the same situation, which is clearly a contravention of section 16(2)(c) of the Occupational Health and Safety Act, which states that every precaution reasonable in the circumstances should be taken for the protection of a worker?

Is the minister also aware that Mr. Santos was sent back into the area to work with that type of condition?

What action does the minister intend to take against ITT Aimco to ensure that it follows the provisions of the act?

Mr. Eakins: Tell him at dinner tonight.

Hon. Mr. Elgie: Should I have dinner with him? Goodness gracious! Well, I have done it before. It might be fun again to have dinner or perhaps lunch with him.

Mr. Speaker, the honourable member has written to me about this particular company, and I would have hoped the particular health and safety representative would have been in touch with him by now so that he could understand that a meeting already had been arranged between Mr. Falkowski, Mr. Camara, who is the president of Local 7574, Dr. Robinson, who is an assistant deputy minister and the director of the occupational health and safety

division, and Cliff Baskin to try to resolve all outstanding issues.

But let us not leave the impression that there has been inactivity with regard to that plant. It is quite interesting to know that since Bill 70 was proclaimed in October 1979, there have been 12 physical inspections of that work place, there have been 39 orders issued and there have been 85 contraventions of the act; all orders have been complied with except three that are still outstanding and that we are following up on.

Let me assure the member in the House that there is no inactivity with regard to evaluating problems within that company. But clearly it needs more than that. The member will know from experiences we have had in other situations that the kind of thing that helps problems in the work place is to get people talking and to try to resolve issues and work them out. That is what we are doing.

Mr. Martel: I am glad to hear the meeting is under way, because these questions have been pursued since early July and it was only after the issue was raised in the Legislature last week that the meeting the minister talks about was established.

Going back to Mr. Santos, however: Is the minister aware that Mr. Santos, having reported the condition and it not having been repaired, sustained an injury and missed four weeks of work, and that when he asked to go to see the plant nurse after injuring himself, the supervision refused to allow him to see the health nurse?

I want to know how many charges have been laid to date against this company to make them comply with the act.

2:30 p.m.

Hon. Mr. Elgie: I do not know the particular case of Mr. Santos, but I do know that issue will be discussed by the parties at the meeting that is to be held a week Wednesday.

Mr. Martel: Is the minister further aware that, with only approximately 400 employees, this plant had 116 compensable accident claims in 1980, resulting in lost time of 1,108 work days? Is the minister telling me the effects of his intervention to date have curtailed the sorts of problems that exist in that plant? I ask for a second time how many charges he has laid against them.

Hon. Mr. Elgie: I do not think I can elaborate any more other than to reiterate that there have been orders issued, there have been some contraventions and there have been require-

ments that they clean up certain problems within the plant.

The member has raised issues, and the local health and safety director of the trade union has raised issues. In the past, we have found the best way to resolve the problems is to meet and talk about them. Heavens, the member and I might even do that for lunch or dinner one day. Perhaps we can resolve these issues that seem to be causing such a wide gap in the House.

Mr. Martel: I hope the minister is inviting me to lunch next week, Mr. Speaker.

Mr. Speaker: I did not hear him say that.

Mr. Martel: You did not, but I was hoping.

TORONTO TRANSIT COMMISSION FARES

Mr. Martel: Mr. Speaker, I have a question of the Minister of Transportation and Communications.

The minister will be aware that the Toronto Transit Commission is considering another fare increase in addition to the ones in 1979 and 1980. Will the minister explain why the provincial transit subsidy formula allows the TTC to collect more than 70 per cent of its costs from fare boxes in comparison with Montreal, where it is only 46 per cent, and Vancouver, a city of comparable size, where it is 39 per cent?

Can the minister indicate what he is prepared to do to ensure that the increase does not occur and to improve services for the residents of Metropolitan Toronto?

Hon. Mr. Snow: Mr. Speaker, first of all, I will not attempt to explain why the cost-revenue ratio of the Montreal or Vancouver transit systems is somewhat less than that in Metropolitan Toronto. I think it is quite obvious to everyone that Metropolitan Toronto operates one of the finest transit systems in North America, if not in the world. This transit system is very generously supported by this government and continues to expand to serve the needs of the people of Metropolitan Toronto.

Mr. Martel: The minister totally failed to answer the question, which was whether he was going to intervene in some way to prevent a further increase in costs.

Since he talked about being so generous, may I ask the minister why he is prepared to subsidize GO Transit at a rate of approximately 50 per cent, while he is prepared to subsidize the TTC at a rate of only 15 or 16 per cent from the provincial Treasury?

Hon. Mr. Snow: In his preamble, the honourable member said he did not know why I was not prepared to control costs. I think that is somewhat beyond my jurisdiction.

As to the subsidy rate this government pays to the TTC, some years ago we established a cost-revenue ratio forecast for the different classifications of transit systems within the province. We subsidize some 63 or 64 transit systems in Ontario, I believe.

I point out that the TTC system in Metropolitan Toronto gets more than 50 per cent of the total transit operating subsidies that are paid by the province. If one takes into consideration all transit subsidies, including capital and operating subsidies, the Toronto Transit Commission receives approximately 61 per cent or 62 per cent of the total subsidy paid by the province. When one also takes into consideration the type of system it has, I think the subsidies are quite fair.

Mr. Smith: A supplementary question, Mr. Speaker: Could the minister explain why he still insists Toronto be subsidized at a percentage below other large cities in Ontario? Would it not be reasonable at least to bring Toronto closer to the level of subsidy received by the other large cities? There are obviously differences for medium- or small-sized cities but compared with the other large cities in Ontario would it not be better to bring Toronto up to the same level paid for cities of a quarter of a million to half a million persons?

Hon. Mr. Snow: Mr. Speaker, in regard to the difference in size, our subsidies range from approximately 15 per cent of operating costs for Metropolitan Toronto to a maximum of 25 per cent of operating costs for a municipality of under 100,000 population. There are three categories in between: 22.5 per cent, 20 per cent and 17.5 per cent. I believe those are the figures. I do not have them in front of me but I think my memory serves me right. When that formula was set up, it was based on the operating performance of the transit systems in those categories.

For instance, we established this funding formula about five years ago. Prior to that the government of Ontario was paying 50 per cent of the operating deficit. We have changed that formula to a percentage of total operating costs. The formula set up with Metropolitan Toronto was established at a price that would approximate 50 per cent of the operating subsidy. Actually we have been doing somewhat better than that. I believe the subsidy paid to Metro-

politan Toronto in the last complete year—of course we do not have the complete figures for 1981—was more than 50 per cent of the operating loss of the TTC. We were paying more than we would have been on the old formula of 50 per cent of the deficit.

Ms. Bryden: A supplementary question, Mr. Speaker: Does the minister not consider he has some responsibility to help the TTC maintain the single fare system instead of reverting to the old zone fare system? That would require working people from the suburbs to pay two or even three fares to get to work in the downtown area where they cannot afford to live on account of the housing and interest rate policies of this government.

Hon. Mr. Snow: Mr. Speaker, I have not heard of any discussions or proposals from Metropolitan Toronto to change from the single fare system. If the honourable member has information I do not have—

Mr. Laughren: You haven't heard the mayor.

Ms. Bryden: The mayor was on the air this morning.

Mr. McClellan: You are wrong.

Hon. Miss Stephenson: It was not Metro itself. It was Art Eggleton.

Hon. Mr. Snow: I have not heard any proposal to do that. As a matter of fact, in 1980 I understand the total operating deficit of the TTC was some \$61 million, of which the subsidy of the Ministry of Transportation and Communications was \$33.1 million and that left a municipal share of \$27.9 million.

2:40 p.m.

ABORIGINAL RIGHTS

Mr. Nixon: Mr. Speaker, I have a question of the Minister of Natural Resources. What response is he undertaking to make on behalf of the ministry and the government as a whole to the decision of the Supreme Court of Ontario regarding Indian hunting and fishing rights? The court ruled that Indians in the province, particularly registered band and treaty Indians, are not governed by the hunting and fishing seasons and catch limits that have been established by the government over the years. It said they are free to hunt and fish whenever they like and wherever they like "as long as the wind blows and the grass grows," I believe the treaty phrase is.

Hon. Mr. Pope: Mr. Speaker, the case the honourable member refers to is the Queen

versus Taylor and Williams, a recently-issued decision of the Ontario Court of Appeal. It dealt with section 88 of the Indian Act and how that dovetailed into the Game and Fish Act and some of the Ontario regulations under the federal acts. The court came to the conclusion that the terms of the treaty, which included the oral terms recorded in the minutes, preserved the historic right of these Indians to hunt and fish on crown lands and the lands conveyed.

They fall under the exception established by the opening words of section 88 of the Indian Act. Section 88 says, "... subject to the terms of any treaty." In other words, they interpreted the wording of the treaty in light of other information which was made available at the time the treaty was being negotiated.

We are uncertain as to the legal consequences of that decision. First of all, it did limit the right of Indians to hunt and fish by treaty on crown lands and not on private lands. That is an important distinction to make, particularly in southern Ontario. It just deals with crown lands and leaves unanswered the issue of occupied crown lands either by land-use permits or other allocation systems under Ontario statute.

The second matter that may not have been altered by the decision was the rights. It is possible to argue the right that was preserved was to hunt and fish for purely personal consumption and not a right to hunt and fish with respect to commercial enterprises. Therefore the decision may not alter the position of this government which was previously taken by my predecessor in communication with the various native peoples' organizations and before this Legislature on numerous occasions.

However, our real concern with the decision is that the court lays down some principles of interpretation that they will apply in future with respect to these issues. I can quote them very briefly. The first was, "The honour of the Crown is always involved and no appearance of sharp dealing should be sanctioned." Second, "If there is any ambiguity in the words or phrases used, not only should the words be interpreted against the framers or drafters of such treaties but such language should not be interpreted or construed to the prejudice of the Indians if another construction is reasonably possible." The third was: "If there is evidence arising from judicial notice of the facts of history or otherwise, by conduct or otherwise, as to how the parties understood the terms of the treaty, then such understanding and practise is of assistance in giving content to the term or terms, and this

evidence extends to how historically the parties acted under the treaty after its execution."

All of that means there will be new principles and new inferences used by the Court of Appeal of Ontario in terms of interpreting the treaty rights. Because we have some difficulty with these interpretive principles, and because we think the rights that were won by this case were already given by policy direction of the former Minister of Natural Resources, the Honourable James Auld, we do not think there is any problem in asking for a further discussion of this matter by the Supreme Court of Canada. Therefore, we recommended to the Attorney General (Mr. McMurtry) that leave be sought from the Supreme Court of Canada to appeal this decision, based on our concerns with respect to the principles of interpretation.

I am unaware of any final decision on this matter by the Attorney General of Ontario. However, I want to reiterate that through understandings reached with the native peoples' organizations, they do already have the right to hunt and fish on crown lands. Second, they do have the right to hunt and fish for personal consumption and the context in which these rights are given are matters that have been discussed in numerous meetings with the treaty organizations over the past six months.

Mr. Nixon: Supplementary: We gather, then, the minister is advising the Attorney General to seek leave to appeal the ruling. Until some action occurs in that connection, has the minister instructed his conservation officers that registered Indians and treaty Indians have the right to hunt and fish without any proscription whatsoever on crown lands in the province?

Hon. Mr. Pope: No, Mr. Speaker, I have not. My interpretation of the decision on the specifics of this case, setting aside the rules of interpretation problems, is that with respect to crown lands and personal consumption nothing much may have changed. Again, I admit that this is a speculative interpretation.

We believe the treaty organizations and the bands and the native people desire to come to some sort of accommodation with the government vis-à-vis their own conservation ethic and some means of administering that ethic in the context of some of our problems for fish stock and wildlife in the province. We think that under the existing arrangements, the existing policies, we can continue to properly administer the rules of the Game and Fish Act for the benefit of all people of Ontario.

Mr. Laughren: Supplementary: Would the minister at least agree to have his officials cease and desist in the laying of charges when there are issues in dispute which the native people wish to negotiate with the minister? For example, when they are fishing in the headland waters between the jutting peninsulas up in the northwest?

Hon. Mr. Pope: The short answer to that is no. I will explain why. In May and June this year, at the request of the native peoples organizations, we agreed we were receptive to entering into a co-management policy system with the native peoples organizations in this province. We provided some details of what we hoped to have under this co-management policy, including some joint recognition of the native peoples organizations and the government of the need for some control in terms of hunting and fishing in different parts of the province, depending on particular problems localized in various lakes and also in specific hunting areas.

We also indicated if there was joint recognition of this problem we could arrive at a consensus on some limits. Those agreements could be implemented through band bylaws which we were prepared to recognize—the same way they have started to do in New Brunswick and the same way they have done with the federal government in the lands under federal jurisdiction.

We indicated we wanted to work with the native peoples organizations with respect to the policing of that system, using both their people and ours. We offered all of this on the table. The co-management policy system was subsequently rejected because of existing constitutional discussions that were taking place, and we now look—

Mr. Laughren: Nonsense.

Hon. Mr. Pope: It is not nonsense. The member was not present at the meeting, so he—

Mr. Speaker: Order.

Hon. Mr. Pope:—would not know what was discussed.

We are now looking forward to further discussions with the native peoples organizations to arrive at a co-management system, but we are not going to forsake our responsibility to the native people and to the rest of the people of Ontario to set quotas, to control hunting and to preserve both the fish and wildlife of the province.

HYDRO EXPORTS

Mr. MacDonald: I have a question for the Minister of Energy. It concerns the proposed cable under Lake Erie through which Ontario Hydro would deliver some 1,000 megawatts of power to General Public Utilities, the owner of the disabled Three Mile Island plant. Does Hydro's approval of this under-lake cable mean this government is committed to entering into long-term contracts to sell electricity to the United States?

Hon. Mr. Welch: Mr. Speaker, this matter has been before the Hydro board. I understand within a few days they may well be exchanging some letters that will enable them to take a further step with respect to seeking approval of the National Energy Board.

They are acting at the moment under the general government policy of favouring exports but certainly this project has not yet been submitted to my colleagues. Because of the international characteristics of this arrangement it would not be until such time as after the matter has been before the National Energy Board to satisfy that board.

Mr. MacDonald: Supplementary: My understanding is that this was considered by the Hydro board a month ago and is now before the cabinet. A commitment was given by the Minister of the Environment on April 22, 1980, when the leader of this party (Mr. Cassidy) asked, "Could we have assurance here and now from the Minister of the Environment that the proposals to export electricity from Nanticoke under Lake Erie will be subjected to the full environmental assessment procedures under Ontario's Environmental Assessment Act?" The minister of the day replied, "The answer to the latter part of the question is yes. It was always the intent of Ontario Hydro, and they understand it. That should be very thoroughly understood."

2:50 p.m.

Is the minister in a position on behalf of the government, or if he wishes to refer it to the Minister of the Environment (Mr. Norton) he may do so, to give us a firm commitment that this project will be subject to environmental assessment in Ontario in accordance with the firm commitment given by the minister a year and a half ago?

Hon. Mr. Welch: Mr. Speaker, this matter is not before the cabinet at the moment. Perhaps I should correct the honourable member. It is my understanding it was reviewed by the Hydro board at its October meeting and that further

steps will indeed be taken to make the formal application. As part of that application there will be a full inquiry by the National Energy Board into environmental and social impacts. There is certainly no question that all those matters will have to be taken into account at that time. Perhaps the honourable member will understand that this matter has not yet been before my colleagues in cabinet.

Mr. Smith: Final supplementary, Mr. Speaker: Since the minister is now obviously trying to suggest we can weasel out of the Environmental Assessment Act by pretending that environmental matters will be dealt with sufficiently under the National Energy Board investigations, would he pay attention to the quotation read by the member for York South? In it the former Minister of the Environment (Mr. Parrott) said the answer to the latter part of the question—"Will the proposal be subject to full environmental assessment procedures in Ontario's Environmental Assessment Act"—was yes. The word of the present minister in this House on June 26 of this year was, and I quote: "My position certainly has not changed from that of my predecessor."

Does the Minister of Energy not recognize that the Americans are already accusing us of being insincere on the subject of acid rain? They accuse us of wanting them to shut down their coal-fired generating stations or install scrubbers so we can then enter their market with cheaper electricity. We have been accused of that by Senator Clarence Brown, an Ohio Republican.

How is it going to look in the United States when we try to make an acid rain argument there if we are prepared to use stations without scrubbers to produce coal-fired electricity and then send it into their market, doing exactly what they say we were intending to do? Will we not look awfully hollow criticizing them for generating electricity without scrubbers?

Does the minister not understand the importance of this matter for the acid rain problem generally on this continent? Will he finally make the Environmental Assessment Act something other than the environmental exemptions act?

Hon. Mr. Welch: Mr. Speaker, I feel the Leader of the Opposition has not been very fair in drawing all sorts of conclusions on the basis of my answer to the member for York South. He knows that Ontario Hydro has voluntarily agreed to the reduction of emissions, which carries with it the installation of scrubbers. How did it ever get into this discussion that we are attempting to

avoid that matter? I do not know why he would even suggest that.

I have made it quite clear as far as this project is concerned that all the legal requirements would be met. Indeed, that is part of the whole hearing process, to which I have already made reference.

ONTARIO ENERGY INVESTMENT

Mr. Bradley: Mr. Speaker, notwithstanding the Minister of Energy's previous answers to my leader and to the member for Sudbury East (Mr. Martel), I would like to ask him a question about Suncor. Does the minister agree with the Progressive Conservative member for Leeds (Mr. Runciman) on this matter? That member was quoted as saying the following on Suncor: "With an expenditure of that magnitude the Legislature should be involved as much as possible and as soon as possible in determining whether it was a good acquisition for the province and the justification for it."

If the minister does agree with his fellow caucus member would he indicate to the House whether he is now prepared to provide a more extensive compendium of information in an attempt to justify the expenditure of this \$650 million?

Hon. Mr. Welch: Mr. Speaker, on Tuesday evening last we spent a great deal of time during that debate to explain exactly what had been filed, on the implications of that, and what already was part of the public information system. We spent some time going through it because we accept seriously what the requirements of the rules are. We took some pain to explain all that, made that information available, and explained why certain information relative to certain subject matter might not be available at this time because of the confidentiality of the agreement.

If the honourable member has some specific questions on this deal, and he would like detailed information on that which does not place us in the position of violating the agreement, why does he not put them on the order paper?

Mr. Bradley: Supplementary, Mr. Speaker: The member for Leeds obviously agrees with the opposition rather than the government in this matter. I will quote his statement again: "I think the members on our side of the House and the powers that be are aware there are concerns among the rank and file about this whole transaction." Also in his statement was this: "There is considerable concern. We are in the

dark as much as anyone else about what has been happening. We want to know the details and the justification as much as anybody."

In view of the fact the minister and the cabinet have been unable to convince this member, will he indicate what he is prepared to do to bring his fellow caucus members out of the dark on the Suncor deal?

Hon. Mr. Welch: Mr. Speaker, I cannot add anything more to the answers I have given on several occasions on the information which is now available.

WORKMEN'S COMPENSATION

Mr. Di Santo: Mr. Speaker, I have a question for the Minister of Labour pursuant to the question on the Workmen's Compensation Board to which the minister gave an inadequate answer yesterday. The minister now has the responses of the interested people, the workers who will gain or suffer according to the way the new bill will be drafted. Now he knows they are opposed to several major propositions in the white paper, especially the injured workers whose administration comes under the present act.

Does the minister now agree the proposal is unacceptable to the interested people? Does he not think it is time to scrap the proposed legislation attached to the white paper? Does he not think it is time to introduce immediately a bill which responds to the needs and the interests reflected in the submissions of the people affected?

Hon. Mr. Elgie: Mr. Speaker, the member for Downsview would not expect me to avoid reviewing the opinions and comments being made by a great number of people. I am sure he is also aware I have indicated to a number of people who have expressed an interest in coming to talk with me and members of my staff about the white paper and the proposals therein that I would be pleased to meet with them in January. By then I expect our review of the comments and documents submitted will be completed. If he is suggesting I should ignore all that process, should ignore the two years that have gone on with the green paper and the white paper, and simply accept the point of view of one group and proceed, I am sure he is not serious.

There are many who think the proposals are too generous. I do not happen to agree with that. There are legitimate needs out there not being met. I intend to review the briefs being submitted, to meet with people who have

interests in particular areas, and will then discuss the matter with my colleagues and my cabinet.

Mr. Di Santo: Supplementary, Mr. Speaker: I am glad the minister is so confident in the process when the chairman of the board himself said in summary that we are unable to administer the act because it is anachronistic. The act is overdue. The minister introduced the white paper in June. Why does it take so long only to get the comments and to make a decision?

Last Saturday if one of the minister's representatives had been outside the House he would have known interested people reject outright the proposal that Professor Weiler and the white paper have been putting forward.

3 p.m.

Why does he not listen? It is the injured workers who are affected. Why does he not bring in a general scheme of insurance which would solve all the problems they want solved?

Hon. Mr. Elgie: I know it was a long summer and perhaps the member did not bother writing any letters during the summer, but he will recall there was something called a postal strike this summer and there were numerous groups—

Interjections.

Hon. Mr. Elgie: They should not just pooh-pooh; they should listen. If they try it they will like it.

There were numerous people who asked for extensions, some until the end of October. Perhaps the member does not think I should have granted that, that I should have said: "Never mind, we do not want to hear from you. We know what we want to do and what you have to say is irrelevant." I am not prepared to approach it that way. I am prepared to listen to the views of thoughtful people who have comments and views on situations before this House.

Ms. Copps: A supplementary question, Mr. Speaker: If the minister is convinced this subject is still under discussion and if input is expected and wanted from all sides, why are the employees of the Workmen's Compensation Board sending out letters which assume the proposals are already a fait accompli? Why is the board actually gearing up towards the imposition and introduction of the white paper?

Hon. Mr. Elgie: Mr. Speaker, the member should read that whole letter and the documentation which accompanied it. It did not go out to everyone, by the way, it went out to a selected

sample. It is a follow-up study—

Mr. McClellan: Who drew up the list?

Hon. Mr. Elgie: The member for Bellwoods and I have talked about the need for some sample studies so my friend should not pretend this is some new issue.

If the member for Hamilton Centre reads the letter, it said that if such legislation were to pass we would need to know certain information and, to assist us with that, would they provide us with this information. Nobody is required to do it. It does not alter their status. If the board was to proceed with this legislation, if the government approved it, they are simply trying to gather some idea of what sort of machinery—administrative apparatus, costs and so forth—would be involved. Is it wrong to prepare?

CLOSING OF WHITE OAKS VILLAGE

Mr. G. I. Miller: Mr. Speaker, I have a question for the Minister of Community and Social Services about the closing of White Oaks Village, a residential home in my riding for mentally disturbed children in Ontario. The director of White Oaks has told us some boys now living at the facility still will not be able to cope with living in the community when White Oaks is closed.

Given that White Oaks is the only government-operated facility in the region for these children, and given the director also says he does not think there are 15 new places at the Children's Psychiatric Research Institute in London which would be ready in time to take these children, what is the minister going to do with those children who still require a setting like White Oaks provides? Has he checked to see if the privately owned and operated homes in the region have the places, programs and facilities to accept these children?

Hon. Mr. Drea: First, Mr. Speaker, the 15-bed unit at CPRI in London will be ready before the closing of White Oaks. Second, another 13 of the population there are from the Metro region and approximately 15 additional residential beds will be purchased in existing children's mental health centres here. Some will be handled by a satellite of existing children's mental health centres from the Hamilton area.

Mr. G. I. Miller: I suppose the minister realizes a good staff has been put together to deal with these programs. Now they are going to have to go on the run again looking for new jobs. When is he going to provide some stability to the program for these young people in Ontario,

instead of continuing closings and movings?

Hon. Mr. Drea: One of the things we are doing in this province is selective deinstitutionalization. They were being sent to White Oaks, which is down in the member's area when they reside in Toronto, when they reside around Hamilton and when they reside in southwestern Ontario.

The member knows full well the reason for the closing of White Oaks Village because he stood there and listened to it a week ago. I am surprised it took him so long to ask a question. It is a very dilapidated centre that has served its usefulness to the province from the time the province first took it over way back after the war. To bring it up to standard would require about \$2 million of public funds and, three or four years down the road, there would still be that deinstitutionalized program.

It has been government policy for some time that children, particularly the emotionally disturbed, should be served as close to their own community as is possible, and that is precisely what we are doing.

Before the member gets active and asks another question, the day-care program of the children's mental health operation at White Oaks is going to continue to be in the member's region. We are not taking away the day-care program, which has been very successful in the region of Haldimand-Norfolk.

Mr. R. F. Johnston: Mr. Speaker, it is good to hear that the day-care program will be intact and that the jobs of these people are going to be protected.

Can the minister tell us what he is doing about the fact that there are 2,000 kids on waiting lists for children's mental health centres across the province? All he is doing at the moment is closing one down. He is not creating any new spaces. Can he tell us what he is doing in that area?

Hon. Mr. Drea: If my friend had listened, he would have heard that there are 15 new treatment beds at CPRI, plus the purchase of another 15.

Mr. Cooke: That is not new. It is one for one.

Hon. Mr. Drea: What does the member mean it is not new? Those are brand-new beds to replace White Oaks.

Mr. Smith: To replace White Oaks. They are not additional.

Mr. Speaker: Order.

Hon. Mr. Drea: I want to make it very plain

that those are not substitution beds; they are new beds.

As to the question of the waiting list of more than 2,000, this question was asked in my estimates.

Mr. Smith: Addition on the one hand, subtraction on the other. The minister is closing one.

Mr. Speaker: Order.

Hon. Mr. Drea: I am trying to inform the Leader of the Opposition. I do not want him going outside the door and saying we are taking away 15 of the existing children's mental health beds. I am adding 15 children's mental health beds in Toronto to replace what was there and 15 new beds in CPRI; that was the question the Liberal member wanted an answer to.

Mr. McClellan: You are starting to figure it out, Frank.

Mr. Martel: It is called replacement, Frank.

Mr. Speaker: Order.

Mr. Cooke: What about new beds? Get back to the question.

Hon. Mr. Drea: I say to the member for Windsor-Riverside, he does not give me orders in here. If he wants to ask a question, let him stand up and do it. The member next to him asked the question, and I will answer him.

In terms of the waiting lists, the children's mental health centres of this province are very carefully examining them to see whether there is a total comprehensive list of 2,000 individuals or whether there is some duplication. They are looking into the waiting lists as a priority, and they are going to report back to the minister. We have some plans in the ensuing fiscal year for additions in the children's mental health field.

Mr. Speaker: The Minister of Municipal Affairs and Housing has the answer to a previously asked question.

RENTAL CONSTRUCTION LOAN PROGRAM

Hon. Mr. Bennett: Mr. Speaker, a few days ago the member for Scarborough West (Mr. R. F. Johnston) asked a question in relation to the number of housing units that have been started under the various programs of our ministry in this community.

First of all, in terms of municipal nonprofit housing, which is basically Cityhome, since January 1, 1981, 346 units have been completed, of which 63 are rent-geared-to-income. Under

construction currently are 876 units, of which 219 will be rent-geared-to-income.

Second, the Metropolitan Toronto Housing Company currently has under construction 176 units, of which 138 will be rent-geared-to-income.

Third, under the private nonprofit and co-op, since January 1, 1981, 467 units have been completed, of which 120 are rent-geared-to-income. Currently under construction are 1,577 units, of which 500 are rent-geared-to-income.

Under the Ontario rental construction loan program, approved by the Ontario Municipal Board and still active are 2,562 units, of which 511 will be rent-geared-to-income. Of these, 660 units are currently under construction, 132 of which are legally obligated for rent-geared-to-income.

That indicates to us that a total of 4,102 units are under construction, of which 1,172 will be for rent-geared-to-income.

3:10 p.m.

On that same day the honourable member referred to a waiting list of something like 1,365 households from the welfare group at Metro, I think it was. Our details indicate that on September 30 the Metropolitan Toronto Housing Company had 2,270 on the seniors' waiting list plus 547 families, which was 2,817.

On October 30, Cityhome, which provides mainly family accommodations, had 3,650. Now, I want to make it very clear that the figure of 3,650 for Cityhome does not differentiate between those who are on the waiting list for rent-geared-to-income units and those who rent from them on a market rent position.

On October 29, the Ontario Housing Corporation had 608 seniors and 4,710 families, for 5,313.

To the best of our knowledge, those are the complete details, except for one that I think the member should keep clearly in mind. Our experience in the Metro area in the last number of years has shown that the turnover rate for rent-geared-to-income units, whether they are directly within our portfolio or beyond it—that is, in the co-operatives, the nonprofits, public and private, and the private sector, where we have rent supplement units—is just under 10 per cent every year. So we are speaking of something more than 3,200 units that become newly available to us for applicants on the various waiting lists here in Metro Toronto.

Mr. R. F. Johnston: On a point of privilege, Mr. Speaker: The question I asked the other

day concerned the fact that the minister had misled the House, if I might say so, by giving us incorrect figures. I did not use the word "misled," because I wanted to give him a chance to correct them.

He has not said that his figures were wrong. But they are wrong in terms of the Ontario rental loan construction program, and I wish the minister would admit that.

Mr. Speaker: Order. There is a difference of opinion, obviously, and it is not for the chair to decide.

Hon. Mr. Bennett: On a point of privilege, Mr. Speaker: My remark was that 929 units have been given approval. I will agree with the member for Scarborough West that some of those have been cancelled; he is absolutely correct. But I was talking about those that have been applied for. I indicated that there were something like 21,000, and he is absolutely right that a number of them in Toronto have already withdrawn, for one reason or another, because of financial problems.

PETITION

HUMANE HUNTING

Mr. Kerrio: Mr. Speaker, I beg leave to present a petition from 300 of my constituents. It is properly addressed to the Lieutenant Governor, and I want to read the petition:

"We are a group of Canadian people who not only oppose the killing of deer on Navy Island but oppose what we feel is a mismanagement of the natural resources department of our government. What we want is: (1) a more humane way in which to resolve the overpopulation of the deer; (2) an assurance that the government will take quicker action in solving and even looking at the problem of our wildlife to prevent another massacre like this one; and (3) an immediate halt to the action they are presently taking on Navy Island to seek out and exhaust all other alternatives before the hunt resumes."

The petition was prepared by Ellen Davyes, and I want the Minister of Natural Resources (Mr. Pope) to address himself to the petition.

Interjections.

Mr. Speaker: Order. If the two members wish to continue their conversation, I ask them to please do so outside the House.

Interjections.

Mr. Speaker: Order.

INACCURACY IN NEWSPAPER

Mrs. Scrivener: Mr. Speaker, I wish to rise on

a point of personal privilege concerning a report that was published in today's Toronto Sun. This report referred to me, first, as a Liberal—

Some hon. members: Shame!

Mr. T. P. Reid: It should have been "dinosaur."

Hon. Miss Stephenson: "Liberal" and "dinosaur" are the same thing.

Mr. Speaker: Order.

Mrs. Scrivener: Second, it contained a reference from Mr. Saldov to the effect that last night a delegation that visited me was shocked because I was not aware that there was a problem with the Ontario Housing Corporation's "empty nest" policy.

I have to say that being described as a Liberal is, by any standard of mine, an affront. Inasmuch as the riding of St. David has been continuously represented by a Conservative member for 26 years, through eight elections, I consider this allegation to be a gross insult.

I comment that although in the last provincial election a Liberal candidate did try very hard to unseat me, and he spent \$72,000, nevertheless he was unsuccessful. St. David is most definitely represented by a Conservative member in this Legislature, and I am proud to be its representative. I thank the Leader of the Opposition (Mr. Smith) for drawing this to the attention of the House.

I have to say I am shocked that the delegation that visited me last evening could make a statement to the effect that I was unaware of the problems of the empty nesters in my riding. This is a gross misrepresentation of the facts. The women in my riding know full well that I am well aware of their problems and of their burdens. They have demonstrated their awareness quite forcibly, and they did so on March 17.

Mr. J. A. Reed: Two days later they made a mistake.

Mr. Speaker: Order.

Mrs. Scrivener: Finally, I was shocked that the delegation that visited me was composed entirely of frank, forthright, intelligent women, but they permitted a man to be their spokesman. The inaccuracies contained in the report in this morning's paper is certain evidence of how badly they were represented. It is my observation that the women who visited me last evening were entirely capable of making their own presentation, and had they done—

Mr. Speaker: Order. I think the member for St. David has made her point extremely well, and I am sure the press will take note of the correction.

Mrs. Scrivener: The delegation that visited me last evening was grossly misrepresented—

Mr. Speaker: Order. I think you have pointed out—

Mr. J. A. Reed: Sit down!

Mr. T. P. Reid: Throw her out!

Mr. Speaker: Order. I think you have drawn to the attention of the House and the press the inaccuracy of the report, and I am sure it will be dealt with.

INTRODUCTION OF BILLS

THEATRES AMENDMENT ACT

Hon. Mr. Walker moved, seconded by Hon. Mr. Bennett, introduction of Bill 165, an Act to amend the Theatres Act.

Motion agreed to.

VICTORIA UNIVERSITY ACT

Mr. Williams moved, seconded by Mr. Lane, first reading of Bill Pr35, An Act respecting Victoria University.

Motion agreed to.

3:20 p.m.

NOTICE OF DISSATISFACTION

Mr. Speaker: Before proceeding with orders of the day, I wish to advise all honourable members that pursuant to standing order 28, the member for Downsview (Mr. Di Santo) has given notice of his dissatisfaction with the answer to his question given by the Minister of Labour (Mr. Elgie) concerning a definite timetable. This matter will be debated at 10:30 p.m. on Thursday, November 12.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Before the orders of the day, I wish to inform the House that, after a meeting of the House leaders, it has been decided that we will call private member's motion 31, standing on the Notice Paper in the name of the member for York South (Mr. MacDonald), as the first order of business on the afternoon of Monday, November 16.

ANSWER TO QUESTION ON NOTICE PAPER

Hon. Mr. Wells: Also before the orders of the day, I wish to table the answer to question 178

standing on the Notice Paper. (See Hansard for Friday, November 13).

ORDERS OF THE DAY

TORONTO AREA TRANSIT OPERATING AUTHORITY AMENDMENT ACT

Hon. Mr. Snow moved second reading of Bill 2, An Act to amend the Toronto Area Transit Operating Authority Act.

Hon. Mr. Snow: Mr. Speaker, on October 30, 1980, I introduced Bill 176, An Act to amend the Toronto Area Transit Operating Authority Act, 1974. This bill died on the Order Paper and was reintroduced as Bill 2 on April 23, 1981.

Members will recall that we felt that it was appropriate, six years after the creation of TATO, to review and modify legislation governing the authority's activities to reflect experience and changing circumstances.

This bill clarifies the division of roles between the ministry and the authority. The period for which the chairman is appointed in future is being changed from five years to three years to reflect general government policy in this regard. This change will not affect the term of the present incumbent in that position.

A provision is being added to the act to place TATO and the public vehicle operators with which it is involved in the same position as other holders of operating licences under the Public Vehicles Act with respect to the short-term leasing of large motor coaches. The provision in this respect that was added to the Public Vehicles Act last year did not take into account that TATO receives its authority to operate public vehicles under special legislation rather than through the holding of an operating licence issued under the Public Vehicles Act. This inconsistency with regard to the necessary leasing of buses will be corrected by this amendment.

Experience has shown that it is appropriate for the authority to concentrate on the operational integration of inter-regional and regional transit systems and for the ministry to be responsible for co-ordination services in response to the planning needs of the municipalities. This division of roles will be clarified by the amended terminology.

While it is recognized that TATO is constituted to pursue and discharge its special mandate, being the provision of inter-regional commuter services within its defined area of jurisdiction, it is also recognized that it is an instrument of government possessing transpor-

tation management and operational skills and infrastructure, which at the discretion of government could be used in areas beyond its mandate to attain government objectives. With the approval of the Lieutenant Governor in Council, the amendment will permit the resources of TATO A to be used to discharge a specific strategy beyond its mandate.

The TATO A Act is being modified to be consistent with modifications made to the Highway Traffic Act with respect to the liability of owners of motor vehicles for offences. This will facilitate the control of traffic using TATO A property, especially the use of parking lots.

Finally, I intend to move in committee that section 4 be amended to delete the proposed section 6(b), which dealt with the GO Transit trademark. Since Bill 2 was introduced, it has come to our attention that the provision was inappropriate in view of the federal government's jurisdiction over trademarks. The lack of a statutory provision will not inhibit TATO A from continuing to use the GO Transit marking, as it has in the past.

Mr. Cunningham: Mr. Speaker, we will be supporting this legislation. I want to make some brief comments, though, on this legislation.

Not long ago, I had the privilege of listening to the chairman of TATO A speak on an open-line show; I believe it was on a Brampton AM station. Having heard the show and listened to the lack of impartiality on the part of that individual, I almost would like to see his term reduced, possibly to about three weeks from now. I found his comments highly political indeed; and for the minister's benefit, I might favour him with the flavour of several comments made by the chairman at that time.

He certainly was highly critical of the federal government. I would think such criticism coming from an individual like himself, although he may sincerely believe it, would not be conducive to developing the kind of working relationship that we would like to have with the federal government to accomplish many goals we wish to attain, the Urban Transportation Development Corporation funding being one, but more specifically the sharing and utilization of our rail routes to expand, in a very meaningful way, TATO A's scope so that other parts of the province might be better served by it.

I do not know why the minister is reducing the term from five years to three years but I do hope, once this legislation is passed, that the minister might have a little chat with this individual and indicate to him that his responsi-

bilities must be somewhat broader and somewhat larger than that of a political spokesman for the ministry. That indeed is the minister's job. I must digress and say that from time to time he does it quite well, but I, for one, was offended that the current chairman of TATO A would be as blatantly political as he was on that open-line show.

On the subject of the authority, I want to quote section 2(1)(b), because I believe it is quite relevant to the discussion. It says, "to facilitate the operational integration of surface and subsurface inter-regional transit systems, and surface and subsurface regional transit systems, and to operate, within the area of jurisdiction of the authority on routes where the authority operates an inter-regional transit service, transit services within a regional area at the request of and under an agreement with the council of the regional area or the council of an area municipality within the regional area."

It is not as clear as I would like it to be, but my sense of that is that the ministry, through TATO A, has the right and the privilege, if not the obligation, to serve adequately the commuter on an inter-regional and regional basis. From my perspective, in my part of the world, and in the city of Hamilton to be specific, the commuter is poorly served at present.

It is ironic that the minister can open a new service to Milton, provide three trains a day, I believe, for Georgetown, but Canada's fifth largest city is linked with Toronto in one of the most abysmal fashions that one can possibly imagine. It in no way enhances the development opportunities of the city of Hamilton and our region. Quite frankly, I do not think it is in the long-term best interests of this city as it gets more and more congested.

The minister might contemplate for a moment the ramifications of the continued high-interest policy of the Bank of Canada and what that is going to do for hundreds and hundreds of home owners in Mississauga and Toronto as they contemplate renewing their mortgages at rates the minister and I might consider usurious. Possibly the only way they can keep their homes is to move out to the suburbs and the smaller towns that surround Toronto and continue to commute to Toronto where many people find employment.

3:30 p.m.

Mr. Nixon: The minister collects the interest, he does not pay it.

Mr. Cunningham: I believe that to be the

case. Nevertheless, hundreds of people might find themselves in a position where they could find lower priced housing than what is available in Toronto, in the minister's own constituency, in Burlington and Hamilton. That would be a far more appealing choice for those individuals if they knew the GO service to which I refer was going to be updated and, particularly in Hamilton, was more regular and more inclined to be adequate to their needs.

Frankly I think the present service in Hamilton is awful. I find it preposterous the government would advocate the expenditure of well over \$100 million on the Urban Transportation Development Corporation proposal which will go up and down the mountain. It will go, as our mayor said, "from nowhere to nowhere," at a time when they could be putting those resources into more traditional methods of moving people. I do not mean to denigrate the services that exist to Milton or Georgetown. Those too are probably long overdue. But it is a little difficult for us to explain to people in Hamilton that we have service that is equal to that of Milton and less than that of Georgetown.

The service in Burlington is inadequate at the present time. The member for Burlington South, whom I see in his seat today, will probably talk to the minister privately over some Lions Club dinner and favour him with an explanation as to what can be done in that municipality to make that service more relevant. Already the parking lot in the Burlington system is far too small. It might be a good idea for the minister to contact the member for Burlington South so he might serve as an intermediary with his good friend Murray Buzza who has the property next to the GO station to contemplate the expansion of that facility.

Mr. Kerr: We are expanding.

Mr. Cunningham: They are long overdue. There is a "for sale" sign on it right now. Perhaps the member should hustle out this afternoon and put in his option to purchase.

I believe the mandate for this operation should include encouraging, developing and promoting commuter parking facilities. I mean that quite sincerely. I contacted the minister some time ago about a situation in the constituency of Burlington South in an area which I believe would serve my constituents. Specifically, I refer to the south end of Highway 6 where a commuter parking lot might be developed and might even serve as a bus linkup. The member for Brant-Oxford-Norfolk (Mr. Nixon) and I

could park our cars there and avail ourselves of that facility.

Clearly there are people who are parking in the area I have just described on a regular basis without the benefit of permission from the local owner. That property might well be acquired and developed as a commuter parking facility. The minister needs only to take a look at the experience of the previous GO station in Burlington to see how regularly that area is used for parking purposes.

I do not know what kind of foresight the people of TATO had when they chose to tear down the kiosks or shelters that existed there. From my point of view it was a tremendous waste of money. I know they are concerned about vandalism but I feel those kiosks should have been left as a place where commuters, albeit not using the GO train or GO bus, might be able to avail themselves of some protection from the elements, especially in the winter.

If the minister and his staff checked they would find on any work day there would be anywhere from 300 to 500 cars, perhaps even the car belonging to the member for Burlington South, in that parking lot. I believe that kind of thing should be encouraged as we contemplate the increase that is going to take place in the price of petroleum, especially as a result of the ad valorem gas tax.

I support the concept of leasing of vehicles. It makes sense to provide the kind of provision in this legislation that will permit the agency, through the government, to avail itself of vehicles when they determine it to be advantageous.

On section 4, possibly the members of the assembly and the public should be afforded a better explanation of what is meant by "a specified strategy beyond its mandate." I do not know what "specified strategy beyond its mandate" is contemplated, but if he has some sort of "specified strategy beyond its mandate" right now, he might afford members of the House and the public some knowledge of what is going on there.

I encourage the minister to contemplate through this agency the continued use and development of commuter parking terminals. As I travel in I find the rush hour backup seems to get larger and more horrendous every month. The public would be well served if parking facilities were established in the access areas along the Queen Elizabeth Way and possibly even along Highway 5 in the future.

Mr. Samis: Mr. Speaker, I will speak briefly in support of the bill. Coming from eastern Ontario, I do not have the privilege of listening to any Brampton radio station. Sometimes I consider that a blessing, not a loss. The next-door neighbour to the minister and I are probably the two greatest users of rail transport in this House since we are well served by intercity federal transport, one of the few remaining Via Rail services in this province which is popular and widely used in eastern Ontario.

Mr. Wildman: No thanks to Pepin.

Mr. Samis: No thanks to Pepin. Basically, we support the provision of reducing the term to three years. This seems to make eminent good sense. The leasing provision seems to me sensible in providing the authority with greater flexibility.

As to the question of integration and co-ordination, I hope the minister would give the authority full independence to decide on the priorities, along with the Toronto Transit Commission or other transit systems, and not lay an intermediate capacity transit system on it as he is doing with the Lakeshore line. There it seems a carrot is put in front of their faces and noses and when a study is done no options are given. The mandate is, "It is this or nothing and you do not get your bread."

I hope he would allow the local authorities to decide their priorities and the modes of transport they think best suited for their municipalities. I agree with the member for Wentworth North that there is some vagueness in section 4 about the "specified strategy beyond its mandate." That needs some clarification by the minister. In total, we support the bill and we will support the amendment as well.

Ms. Bryden: Mr. Speaker, as my colleague said, we are supporting this bill but I have one or two questions I would like the minister to clarify, specifically whether the new lakefront intermediate capacity transit system will come under this authority in any way. It appears we are giving the authority the power to facilitate the operational integration of surface and sub-surface inter-regional transit systems. I would like to know if the lakefront ICTS would be integrated at some time with the other transit systems under this authority.

If that is so, I would also like to know if this authority has made any studies of the cost of the lakefront system prior to its publication as part of the Board of Industrial Leadership and Development program. In that pre-election

program, the government promised to pay \$90 million of the first \$100 million of the cost of such a system, but it appears now it did not have a clear idea of what was being proposed or what the \$100 million was going to cover. It seemed it was thrown out as another pre-election goody.

The TTC has now come out with an estimate of what it considers a lakefront system would require—\$170 million. I understand there are also discussions to expand the whole lakefront operation to include stops at some of the urban developments being planned for the lakefront, which could add greatly to the costs. The question is, who will pay those costs? Should it be the transit riders, should it be the province, or should it be the people who are building the housing on the lakefront? Basically, it benefits the latter.

3:40 p.m.

These are some of the questions the minister could perhaps discuss under this bill, and give us some answers to, particularly if this intermediate capacity transit system is likely to be within the realm of the jurisdiction of TATO.

Mr. Renwick: Mr. Speaker, I just want to know whether the minister had given consideration to the installation of the DeGrassi GO train station in the riding of Riverdale.

Mr. Kerr: Mr. Speaker, I just have a few remarks. Needless to say I agree with the principle of the bill, particularly in reducing the term that it provides. As far as my area is concerned, we have a problem resulting from a success story. GO Transit has been very successful, probably more so than anticipated. Ridership has gone up in great numbers in the last couple of years, particularly since the service has been improved to the Burlington-Hamilton area and since the availability of double-decker coaches or cars.

The parking lot to which the honourable member referred at the Fairview station needs to be enlarged. In the meantime, I understand from some of my constituents they are getting parking tickets because they are not parking in a designated park or in a lined part of the parking lot. I am not sure whether those tickets are being issued by the local constabulary or by some agent of GO Transit or TATO, but in any event, in view of the fact that expansion is now under way and construction crews are on adjoining sites, I would suggest that no users, particularly with the winter months coming on, be ticketed for parking within a reasonable area within the parking lot. I realize they cannot

obstruct traffic, particularly traffic that is moving in and out of the lot during the day. I would suggest the minister possibly speak to those responsible for issuing tickets and tell them not to do so, and I would also suggest that any people who have been issued tickets up to now not be prosecuted.

One of the complaints I have is that commuters living in Burlington and travelling from Toronto to Burlington or to Hamilton in the evening rarely have an opportunity to sit down because of the popularity and the degree of ridership. Whether that means more rolling stock is required or that the trains be a little longer I leave to the experts. I realize there can only be so many cars in one train, particularly in rapid transit of this kind. But my constituents who ride the trains in the evenings, particularly the two trains that go to Burlington and Hamilton, tell me the trains are very full, overloaded, and many people have to stand for the whole trip.

I know TATO has plans for a new station in Burlington at or near the new Appleby line cloverleaf. I would suggest it proceeds with those plans as the Appleby line cloverleaf is just about finished. I understand the minister will have a ribbon-cutting ceremony sometime before the end of this year. Therefore, I suggest that the plans on the drawing board for the new station be proceeded with this spring, and that will solve the problems I have been referring to as far as Fairview station is concerned.

There is no question this is a success story. I think it is important that people who use GO Transit be proud of it and that we do not do anything to aggravate them because, after all, they do get up early in the morning.

Mr. Mackenzie: Mr. Speaker, this is an opportunity I did not realize was here, perhaps because I was sleeping at the switch a little bit, to raise an issue the member for Burlington South has just been speaking about. That is the value of the two GO trains that run direct from Hamilton to Toronto. I think it is 6:40 a.m. and 7:15 a.m., or something like that, when they leave the CN station downtown in Hamilton.

I must confess those are the only trains I use—when I use them, which is rarely. But they start filling up very quickly. A fair number of people get on in Hamilton, even at that ungodly early hour, and the last couple of times I used them those trains were totally loaded and there was standing room only by the time they got to Oakville.

One of the questions I have been asked about

the traffic on the Queen Elizabeth Way and about the rail transportation from Hamilton to Toronto is why we do not have more trains directly from Hamilton station right to Toronto.

I am not sure what would have to be done about another favorite question because, quite frankly, I have not looked into the connections that might be possible in an integrated system. But I am also often asked why we cannot establish some kind of run right from the centre of the city—the old T, H and B railway centre, I guess—and make connections from there right to Toronto?

I have not followed this area very closely, I admit, but to judge from the number of people who have raised it with me and from my own perceptions I have a very strong hunch that if we had some way of running directly from downtown Hamilton through to Toronto by rail we might get an awful lot of those cars off the QEW. And I think that would be a blessing, because it is getting to be one heck of a drive to take on a regular basis between Toronto and Hamilton.

I am not sure what can be done in that area, but I really would like the minister to have his people take a serious look—I suspect they are already doing it—at whether or not it is possible to establish more direct runs from Hamilton to Toronto and right from downtown as well. I am sure this is the only way to take an awful lot of traffic off that highway. I think it is desperately needed, and it probably would be beneficial to our own sanity as well if we could have better and easier connections from Hamilton to Toronto on the train instead of having to drive.

The Acting Speaker (Mr. Cousens): Thank you. Does any other honourable member wish to participate in this debate? If not, the honourable minister.

Hon. Mr. Snow: Thank you, Mr. Speaker, and thanks to the honourable members for their comments, many of which, I guess, are not really related in any significant way to this bill but which are certainly pertinent to the overall operation of GO Transit. We probably could have discussed those items in estimates; but we have had the discussion now, so maybe that will save some time in estimates.

The member for Wentworth North (Mr. Cunningham) and the other members from Burlington South (Mr. Kerr) and Hamilton East (Mr. Mackenzie) referred to the lakeshore line service and the fact that we have only two trains a day on that line. I would very much like to have more and we have studies under way to see what we can do about getting better service to Hamilton.

The old T, H and B station was mentioned. That is another avenue we have been looking at, but we have not come to any conclusion yet. The funny part is, though, that at the very same time of day when we have those two daily trains leaving Hamilton for Toronto we also have buses leaving Hamilton for Toronto. There are always seats available on the train coming in. I agree it is different going out. It is the same with the member for Burlington South: his people get all the seats in the morning coming in and the Oakville people have to stand. But they all have an equal chance to fight for their seats on the way home.

But there are more people who leave Hamilton by bus every morning at the same times as the trains leave, and for some reason or other many of the riders certainly do prefer the bus. In fact we had complaints from the Milton and Mississauga area when we implemented the train for which they had been waiting for five years. Some people—not all by any means—said they would sooner have the bus and they asked us why we did not keep the buses on. Of course, we cannot run two at the same time.

3:50 p.m.

There was discussion about our commuter parking lot. No one has to convince me of the usefulness of the commuter parking lots. Of course it is not something that comes under GO—it should not come under GO; it is a ministry program. We started it some two or three years ago. We have about 15 or more commuter lots in service at this time, ranging all the way from Port Hope at the east end out to Highway 6 and Highway 401 in the west, and up Highway 400 toward Barrie. There is one very large one in Burlington and I believe, if I recall correctly, we are planning to build about seven or eight more in our current program. It is an ongoing program each year to add these commuter parking lots. It is a ministry program and has nothing to do with GO.

We will be extending the Burlington parking lot, as was also mentioned by two or three of the members. We do not have to buy more land; we have quite a large section of additional land which we will be paving and extending next year or later this year. I guess it is under way.

Section 4 is the contract for services provision beyond the mandate. We have nothing particular in mind for this clause but we felt when we were amending the act the mandate for GO Transit is to supply service within a specified area, basically from the Hamilton-Wentworth region to the Durham region. We feel there may

be times or special events or special situations where the ministry would want to contract with GO Transit to carry out some kind of a special service beyond those points. The reason for this section is basically to have the authority there to do that.

In answer to the member for Beaches-Woodbine (Ms. Bryden), the Lakeshore intermediate capacity transit system line is not planned to be part of GO Transit. GO has done no studies and does not propose to be involved in any way in providing a transit service within Metropolitan Toronto. GO Transit's mandate is to provide inter-regional transit, not transit within the city.

The member for Burlington South mentioned the Appleby line station. We have bought the land for the Appleby line station. We have not proceeded to develop it because we feel it should be developed at the time we are able to make other arrangements. At present there are further discussions going on with Canadian National to see if we can get a third or fourth train per morning and evening on that line. When we can get more than the two trains per day the Appleby line station will be developed. I think that answers the questions that were brought forward.

Motion agreed to.

Ordered for committee of the whole House.

PUBLIC TRANSPORTATION AND HIGHWAY IMPROVEMENT AMENDMENT ACT

Hon. Mr. Snow moved second reading of Bill 53, An Act to amend the Public Transportation and Highway Improvement Act.

Hon. Mr. Snow: Mr. Speaker, Bill 53 is an amendment to the Public Transportation and Highway Improvement Act. As I pointed out on first reading, the bill is designed to reduce Ontario's dependence on petroleum by encouraging municipalities to use electrically-powered vehicles for public transportation. Under existing legislation the Minister of Transportation and Communications is authorized to subsidize public transportation at the rate of 75 per cent or capital expenditures and 50 per cent for operating costs, regardless of the fuel source.

This amendment will permit the minister to pay a subsidy of 90 per cent of the capital costs of electrically-powered vehicles and associated equipment that will replace diesel buses. No change is proposed in the subsidies for operating costs or for the capital costs not associated with fuel conservation programs.

Mr. Cunningham: Mr. Speaker, our party will be favouring the government with our support on Bill 53. I am delighted to see the government has decided to increase its commitment to the capital cost for electrically-powered vehicles. I say that mindful of the tremendous surplus we have in hydro capacity in Ontario which I think has had a beneficial effect, although I do not for a moment think overcapacity of approximately 42 per cent or 45 per cent was ever planned.

The House might be interested to know the cost of financing that overcapacity on a daily basis is in excess of \$3 million. That is to say, more than \$3 million per day is spent on interest alone to subsidize the debt of Ontario Hydro. It is quite a remarkable figure, especially when one contemplates that in Ontario, on our own general debts, we allocate a figure of approximately \$5 million per day.

This item of legislation is in the public interest in so far as it could stimulate and encourage other municipalities that are not currently utilizing electrified systems to involve themselves in that. More specifically I think the minister is probably more aware than I of the municipalities that might be contemplating such systems at the present time. Quite clearly, London, Windsor and, more particularly Ottawa, would be in a position to take advantage of the benefits associated with this act.

I understand we have 50 electrified vehicles in Hamilton now. It would be far cheaper for the grateful taxpayers in Hamilton to see approximately one tenth of the commitment that would be allocated to the proposed Urban Transportation Development Corporation rapid transit system allocated to the electrification of Hamilton's bus system. The rapid system could ultimately cost us at least \$140 million, depending on what route change Mr. Kirk Foley and his crew are contemplating at present.

It would serve the people far better than the fixed rail capital-intensive program currently being advocated by the government. It would remove Hamilton from the guinea pig position it will no doubt be subjected to. It would be far more reliable and, most important in these days of high costs and supposed restraint on the part of government, would save us an enormous amount of money. To summarize on that issue, one tenth of that amount of money could take a giant step forward in the city of Hamilton.

We wasted money on Toronto's current Canadian light rail vehicle which was designed by our good friends at the Urban Transportation Development Corporation, the cost of which I

understand now runs somewhere in the area of \$750,000 per vehicle which is absolutely horrendous.

I saw in the newspaper last week they continue to lack a cowcatcher on the front to prevent vehicles or people from being trapped underneath them. Sadly, someone was caught in one of these vehicles. I hope that individual is recovering. Toronto has 150 electrified vehicles right now and I believe should commit itself to more. This legislation will help in that regard.

For the benefit of the minister, I will send this report over to him in the event he has not seen it. As he contemplates the funding of these vehicles, which I think is in the public interest, he should be mindful of the necessity to evaluate from an alternative point of view every major capital transit project Ontario is endeavouring to become involved in.

The report I am going to send over, Mr. Speaker, is dated August 19, 1980. It is a report to the US Congress by the Comptroller General. The headline says, "Better justification needed for automated people-mover demonstration projects." The US Comptroller General has seen fit to analyse and involve himself in a very meaningful way in the evaluation of each and every project contemplated recently in the United States.

4 p.m.

From my point of view it is a severe indictment of pie-in-the-sky rapid transit systems that are by no means practical or cost-efficient. I believe, quite sadly, the Urban Transportation Development Corporation falls into that category. On page three of his report the Comptroller General says: "Provisions have not been made to obtain data on alternatives. As a result those alternatives might not be compared with people-movers. Data could be developed by conducting studies of these alternatives where they are in operation."

I hope the minister might take a look at the balance of this report. I sincerely feel this item of legislation could go down in history as one of the most meaningful developments in public transit in modern times. It could be the incentive to move the province to encourage municipalities to adopt the most practical alternative available for us in the context of moving people efficiently and sensibly in our urban areas—that is, through electrically powered vehicles in those municipalities.

I hope the minister has a chance to take a look at that proposal, because I believe the staff in the White House have looked at that report that

was made available to Congress. On that basis alone a policy was tabled that has curtailed our mutual friend Mr. Foley's travelling schedule, at least in the United States. On the basis of the report as tabled I believe President Reagan has said, "Enough of this pie-in-the-sky nonsense" that people like Foley are scurrying around advocating at great expense. It is time to re-evaluate every project as it comes before us and to determine whether it is relevant and also, as I mentioned from page three in that report, whether alternatives have been studied.

I believe, in summary, that electrically-powered vehicles in our major municipalities can be an alternative, can operate at far greater efficiency and far more economically for our commuters and can, in a very meaningful way, reduce the tremendous financial commitment required in the area of transit. Having gone through the minister's estimates on many occasions with him, I know how hard he has to fight in cabinet to get the moneys he wants to put into transit. I believe quite sincerely the minister has some genuine concerns about transit.

But the tragedy of this whole thing is that we cannot continue to afford to waste money on things like the UTDC of our mutual friend Mr. Foley when such efficient and economical means of public transit are so readily available to us, designed and promoted by the private sector. I say as a Liberal I do not think "private sector" are dirty words, but they seem to be in this cabinet at the present time. Maybe the recent purchase of Suncor has shaken even the minister's commitment in that regard. I do not know. He may want to elaborate on that at another time.

Mr. Samis: Mr. Speaker, I rise to speak in support of the bill. We will support it because we believe the move is in the best interests of the province, the transit systems and the municipalities. The member for Wentworth has referred frequently to UTDC. Toronto has umpteen problems, if I am not mistaken, with the—in the popular jargon—"trolley cars" from UTDC. I think there is a cost-over of \$3 million to deal with the problem of noise from these machines.

This bill would benefit primarily the cities of Hamilton and Toronto. It is my understanding that none of the other municipalities in the province use electrified vehicles. If it does assist smaller municipalities, whether Windsor, London, Sudbury or Ottawa—and Ottawa seems to be the most likely candidate to move into this field—it obviously is very worth while. I think in Europe it is very common now for municipal

transit systems to have a mix like this. In the past, with our surplus of oil, gas and hydroelectricity, we have assumed these things would be infinite; now that we realize the limitations on those resources, especially the oil situation, this kind of move makes obvious good sense.

I notice, just looking at comparable jurisdictions, that in Quebec they have an interesting subsidy system. Their subsidy is 75 per cent for municipalities that purchase buses made in Quebec but only a 25 per cent subsidy is given to municipalities for buses made outside Quebec. I gather we have two major manufacturers of buses in this province. In terms of buses, that is a policy worth considering.

The final point I would make is in terms of the Urban Transportation Development Corporation. I would hope we would give municipalities the freedom to decide what mode of transport they want. If they do not want to buy the glamorous new technology, then we should let them have that freedom to decide if they think electrified buses make more sense in their particular situation. I hope the ministry would not either pressure them or dangle a whole variety of carrots in front of them to prevent them choosing the other option, which may be less glamorous but may be more effective. I hope we will allow the local authority to make the final decision and give them real freedom without stacking the deck before they make that decision.

With those comments, Mr. Speaker, I will end.

Mr. Haggerty: Mr. Speaker, I want to address myself to Bill 2, An Act to amend the Toronto Area Transit Operating Authority.

The Acting Speaker (Mr. Cousens): I'm sorry, the honourable members are on to Bill 53.

Ms. Bryden: Mr. Speaker, this bill presumably will encourage municipalities to buy electric vehicles to replace diesel buses or other forms of transportation they are using. I would imagine the minister has in the back of his mind the hope that some of them will buy the products of the Urban Transportation Development Corporation—the new streetcars which we are seeing in Toronto, running around a considerable number of routes.

However, I am sure the minister is aware that these streetcars have been causing some complaints. They have been found to produce unacceptable noise and vibrations, which are damaging both businesses and residential properties and disturbing the sleep of residents in my

riding. I have had a considerable number of complaints about this. I understand it is not confined to my riding but people in other sections of the city are also making complaints of this sort.

If the ministry wants to encourage a switch to electric vehicles by this higher subsidy, and if it wants to sell its new-design streetcar both to other cities in Ontario and throughout North America, it must—

Hon. Mr. Snow: This bill does not apply to the streetcars at all. It is just not applicable at all to the streetcars.

Ms. Bryden: I am sorry. The minister says it does not provide subsidies for buying electric streetcars. I must have misread it, but I will raise this with the minister on another occasion because I think the UTDC should make good on those Toronto streetcars that are causing these troubles, if it does intend to try to sell them throughout North America.

The Acting Speaker: On a point of order, the honourable member for Wentworth North.

Mr. Cunningham: Mr. Speaker, I do not wish to take issue with the minister on his—

The Acting Speaker: Point of order.

Mr. Cunningham: I am expressing it, sir. I do not wish to take issue with the minister with regard to his position on the position taken by my friend the member for Beaches-Woodbine, but I believe the act does refer to the capital costs relating to electrically powered vehicles. If those vehicles are not powered electrically, I do not know how they are moving, and I really do not feel her comments are at variance with the spirit of the bill.

Mr. Haggerty: Mr. Speaker, I regret that I did not get on during discussion of Bill 2, but I do want to make a few remarks on Bill 53, An Act to amend the Public Transportation and Highway Improvement Act.

I do support the minister's goal in trying to have electrification of transportation systems within municipalities, and perhaps in urban municipalities and regions. I think it is a step in the right direction. I hope by the time the municipalities get into this area, we will have a sufficient supply of electricity. We may be running short if we are going to be exporting all of it to the United States. I think the minister should consider that.

4:10 p.m.

The area I am concerned about—and I think I brought it to the minister's attention on a

number of occasions—is the study I suggested should be done in the Niagara region. At one time we used to have an electric railroad system there from Port Colborne to Port Dalhousie. It used to cover Welland, Thorold, St. Catharines and Port Dalhousie. It provided exceptionally good service 25 years ago. For some unknown reason we seemed to have a sufficient supply of energy. It appears at that time they said there was no need to continue such a service.

I suppose one could consider the electric streetcar as some form of vehicle. If I am not mistaken, the first railroad vehicle that operated in the Niagara Peninsula from Niagara Falls to Chippawa was a horse-drawn railroad. That goes back a few years. They were considered a vehicle at that time, from the horse-and-buggy days to this type of vehicle.

I suggest to the minister that if he really wants to go overboard providing intermunicipal services, the Niagara region would be a good place to start on electrification of railroads or even the vehicle system for that area. It is time the ministry showed some initiative in that area to bring about a study there. There are a number of abandoned railroad lines, from Fort Erie to Port Colborne and from Welland to St. Catharines, that could be made use of without any expenditure on the part of the provincial government or the ministry.

These railroad lines are in good shape, and instead of lying dormant they should be used. That may even be an area where the minister could start and provide service from Port Colborne to Dunnville and Nanticoke. There might be some further development of people-moving in that area if we had some intercity movement of vehicles, whether it is by electric vehicles or by buses. I suggest there is a need in the Niagara Peninsula. I would even go so far as to say that when one talks about the GO system, it should be extended to the Niagara region to include good communication from one community to another.

I think the minister is aware of what happened a couple of years ago when Greyhound Bus Lines wanted to take over the run from Buffalo to Niagara Falls, St. Catharines and Toronto. There was a reversal by the ministry through the Ontario Highway Transport Board when it suggested Gray Coach Lines should have the right of way to handle the service in this area. In that report it also suggested that bus service should be improved between communities in the Niagara region and Toronto. A number of people living in the Niagara region

work in Toronto. I think the ministry will have to find suitable ways and means to move people that way, particularly in the Niagara Peninsula.

I support the bill. I would like to see the minister initiate a study on public transportation within the region. That is one area where the region has failed. We are building a super-highway down there, Highway 406, and I wonder if it is worth the money that is being spent.

Hon. Mr. Snow: Oh, is the member against it?

Mr. Haggerty: I have always been against it and the minister knows that. I expressed that right in his office. There are other ways of moving people within the region. One is by electrification of the existing railroad lines. The other is by intercity buses.

The key point for getting out of the peninsula is St. Catharines. Gray Coach has a good service in that area and so does the Canadian National Railway, or Via Rail. They pick up people in St. Catharines and bring them into Toronto. The problem is getting from the south end of the peninsula to the north end so that they can get on a GO train to get into Toronto; and they need not just one or two runs a day, but perhaps a run every two hours. It is a good point. The minister just threw this to me, and I thought I would throw it back to him, hoping he would catch it. I caught his comment—

Mr. Nixon: Will you two guys quit playing ball.

Mr. Haggerty: Well, let's hope I am one of the Dodger fans then, and I will come out on top.

I suggest to the minister there is a need for a study as it relates to transportation, whether it is electrification of the railroads or the bus services. In a few years we are not going to see many cars making use of Highway 406; people looking for fast ways to move will go by railway and by bus.

Mr. Stokes: Mr. Speaker, there is nothing in Bill 53— although it is the Public Transportation and Highway Improvement Amendment Act—that would allow for the expenditure of funds on air-cushion or all-terrain vehicles powered by gasification of peat in the far north, so anything I might say on this bill would be out of order.

Hon. Mr. Snow: Mr. Speaker, I would first like to thank the member for Lake Nipigon for his contribution to the gasification-of-peat vehicle study, which I am sure we will have to start into very soon.

This bill is to implement announced govern-

ment policy by providing for a special subsidy for municipal transit systems where diesel buses are being replaced by electric trolley coaches. In theory, the bill could provide for a higher subsidy on streetcars than the normal 75 per cent subsidy. That is not part of the announced government policy, which was that the subsidy was for vehicles that would replace diesel buses. In other words, it is for the TTC trolley bus arrangement we see here on Bay Street, and there are some in the city of Hamilton.

We feel there are perhaps half a dozen communities, such as Windsor, London, Ottawa and perhaps Kitchener, where there is a potential on the high density routes for electrification. This would allow us to pay the 90 per cent subsidy rather than 75 per cent for the capital costs involved in that type of installation. It is part of a move to reduce dependence on oil and use electricity, the cleaner fuel, that we have within the province.

The member for Cornwall discussed the policy of Quebec and the policy of split subsidies, depending on where the vehicles were manufactured. We do not agree with that policy. Unfortunately, a number of the buses bought by the province are not manufactured in Ontario. They are made in either Winnipeg or Quebec, although the new articulated bus being developed by General Motors will be manufactured in London, and the Orion bus is being manufactured in Mississauga. Those two buses will be manufactured in the province.

The purchase of the vehicles by a municipal transit system, whether they come from Manitoba or Quebec, and the choice of make of vehicle, are decisions of the local transit authority. I prefer them to stay that way.

Motion agreed to.

Ordered for committee of the whole House.

MOTORIZED SNOW VEHICLES AMENDMENT ACT

Hon. Mr. Snow moved second reading of Bill 55, An Act to amend the Motorized Snow Vehicles Act.

4:20 p.m.

Hon. Mr. Snow: Mr. Speaker, on May 7, I moved first reading of Bill 55, An Act to amend the Motorized Snow Vehicles Act.

It will add a section to require all snowmobile operators to stop when approaching and overtaking a school bus which is stopped and whose red signal lights are flashing. This is similar to

the requirements applicable to drivers of other motor vehicles with respect to school buses, as set out in the Highway Traffic Act.

In addition, a section is being added to the act to require snowmobile drivers to stop when approached by a motorized snow vehicle with flashing red lights operated by a police or conservation officer.

The bill also sets a new and more realistic limit for snowmobiles involved in reporting property damage accidents. Under existing legislation, a snowmobile operator is required to report a collision if more than \$100 worth of damage occurs in the accident. This will be raised to \$400. I might say that is the same as for other vehicles under the act.

Finally, the bill contains two amendments designed to bring the snowmobile legislation in line with the new Occupiers' Liability Act and the Trespass to Property Act passed in the House last year.

Mr. Cunningham: Mr. Speaker, the Liberal Party will be supporting Bill 55. We are pleased to see the realities of the operation of these vehicles are being brought up to a standard that would be in the public interest, in requiring the vehicles are operated in a safer manner. I refer specifically to section 2, which would require the operator of such a vehicle to stop for school buses. In our view, that makes eminent good sense.

I am not aware whether we have had any tragedies in the past because of a lack of this provision. I certainly hope not. I hope once this legislation receives royal assent and is passed into law, some effort will be made to communicate with the operators of these vehicles in some modest and general way—possibly through a government advertising program, although I hesitate to encourage the minister—to advise the operators of these vehicles what the requirements are under the law.

I am not entirely certain it is in the public interest to increase that reporting limit to \$400, as advocated under section 3. Possibly \$200 might be a more appropriate level, although I do realize that even a minor collision with such a vehicle could cause damage in the area of \$200. It may be in the public interest to have these people report such damage, especially where they might be in a collision with a member of the public or an item of private property. Often that is the case.

Section 4 disturbs me in some regard, as I am mindful of the experience we have had, not only in Metropolitan Toronto but throughout Ontar-

io, on the issue of senseless police chases. Certainly, no one in this party would be inclined, as the Attorney General (Mr. McMurtry) once said, to tie the hands of the law enforcement officers behind their backs in endeavouring to apprehend people who are perceived to be committing an offence. At the same time, we are mindful of the experience that has taken place on our highways, the carnage and the tragedy that have been attendant to some of these senseless chases which, in my view, are on no way in the public interest.

I do not know to what extent these privileges or exemptions from the speed limits for conservation officers and police officers are widely needed. Maybe on a private occasion or some other occasion the minister might indicate to us why he seeks this power through section 4. I hope, if this section is carried and the legislation is carried, the experience we have seen on our highways will not be repeated in some way through the operation of these particular vehicles.

Naturally, section 5 requires support where it would require the operators of these vehicles to respect the red light provision.

Section 6 is something that might be the subject of a clarification or information program to the public. That is the section pertaining to the occupier's duty of care. If I could digress on that for a moment, speaking to the principle of section 6, the law has been changed and I think does provide some difficulty for the operators of these vehicles on private property. The distinction is the legal distinction that exists between an invitee and a licensee.

As you might be aware, Mr. Speaker, being a solicitor, this has been the subject of several lengthy court battles. One of these is currently before the Ontario Court of Appeal, and I will therefore not get into the minutiae of that particular case at this moment. But the long and short of it is that operators of these vehicles occasionally find themselves in great danger as a result of the carelessness of the owner, even when that individual is an invitee or a licensee on that property. I want to distinguish that instance from an individual who might be trespassing without the permission of the owner.

Such a casual approach, I suppose, is common to the operation of these vehicles, and I think it is an area of difficulty that every caucus probably went over as we discussed the details of the Petty Trespass Act. Clearly, some operators choose not to ask the permission of the owner to utilize his lands, either with snowmo-

biles or on foot. There still is an obligation for the owner, I believe, if indeed it is not trespass, to see that his land is safe for the operation of such a vehicle.

One such tragedy occurred not long ago in which an individual was, I think, an invitee on the land of his brother. They were out in the bush behind this fellow's farm. Unfortunately, the second vehicle collided with a barbed-wire fence. Naturally, one can anticipate the ramifications of that for the operator of the vehicle. He was severely injured and could have been decapitated.

Every year we read in the newspapers of the tragedies that occur through improper use of these vehicles. I think a small communication program for the operators of snowmobiles, whether through the press or through a pamphlet developed by the ministry, might possibly be carried out. The ministry may already have one—I do not know, because I do not use a snowmobile—but I think it might be in the public interest to have such a communication program to advise the owners and operators of snowmobiles of their responsibilities under the law and under the revisions being made to this legislation, and to alert them to some of the pitfalls and dangers that exist for an operator, especially on private property.

I yield to the critic from the NDP.

Mr. Samis: Mr. Speaker, I want to say very briefly that we will support this bill. I think the various provisions make eminent good sense. The stopping provision, I think, is something the public will appreciate. As to the reporting of vehicle accidents, I think we on this side can live with the figure of \$400 quite easily, though I have some minor reservations.

Naturally, with all the attention that is being given to the whole question of police chases these days, we hope the police will use this new and added power very responsibly. But I presume that the frequency of this type of chase is rather rare, compared to the chases in Metropolitan Toronto and some other cities that are receiving so much public attention these days.

As to the occupier's duty of care and liability, again I think that is something that makes good common sense. As for the trespassing provision, obviously that is something that was needed with the passing of the other legislation last year.

The one basic point I would make is that I hope the ministry will be quick off the mark once this legislation is passed and enacted to inform the snowmobile drivers of the province

and all the clubs of the province of how these new provisions will affect each and every one of them, because I think it is important that there be a fairly effective communication or information program across the province.

Like my colleague the member for Wentworth North, I would not want to see any major advertising agency boondoggle on this. I think the ministry has the responsibility to communicate these changes, as they affect the snowmobiling public of Ontario, as quickly as possible to as many people as possible.

4:30 p.m.

Hon. Mr. Snow: Mr. Speaker, I appreciate the comments of the honourable members.

With regard to the communication plan, I can tell the honourable members that I have already met, as I do from time to time, with the Ontario Federation of Snowmobile Clubs, which represents most—although not all, I realize—of the snowmobilers who are involved in active snowmobiling within the province. It is aware of the bill, it is supporting all of the items that are within the bill and we will be asking it to assist us in our communications plan by informing members of the contents of the bill through the clubs' newsletters and publications. Of course, in addition to that, we will do everything possible to get the information to the public, or at least to the snowmobile public who are involved.

Section 4 provides exemption for the police and conservation officers from the speed limit. The speed limit in the act is, I believe, 50 kilometres an hour. It would be very restrictive for the officers to try to carry out their duties unless they were exempted from that.

Regarding the \$400 limit: There is nothing significant or magic about \$400 except that the \$100 limit was out of date. Considering the fact that when this act was brought in a snowmobile cost about \$1,000 and today an average snowmobile costs about \$5,000—that is obviously why there are not so many being bought—consequently the costs have gone up. We did not want to cause trouble to the public by requiring that they report what could be a very minor accident at \$100, so we brought snowmobiles into line with the other types of vehicles which have to report accidents at the rate of \$400.

Motion agreed to.

Ordered for third reading.

HIGHWAY TRAFFIC AMENDMENT ACT

Hon. Mr. Snow moved second reading of Bill 150, An Act to amend the Highway Traffic Act.

Hon. Mr. Snow: Mr. Speaker, Bill 150 includes an amendment making it an offence to drive while disqualified under any Ontario statute or regulation.

It also prohibits passing on left shoulders of highways or backing up on freeways. It includes an amendment to empower the police to escort pedestrians found on controlled access highways to the nearest intersecting highway where pedestrians are allowed.

Under current legislation, only drivers were required to submit vehicles for examination for unsafe mechanical conditions, which was obviously an unfair situation if a rented vehicle were involved. The new provision allows police officers the option of requiring the driver or the owner of a vehicle to submit it for an examination.

Provisions that dealt with weight restrictions during the spring months have been recast, providing for an increase in the permitted axle load for vehicles transporting live poultry, and exempting waste disposal vehicles being used on behalf of a municipality as well as public utility emergency vehicles.

Lastly, a new amendment authorizes municipalities to prohibit drivers from entering an intersection on a green light unless they are reasonably sure they can clear it before the light turns red. I trust this amendment will help reduce traffic congestion in Ontario communities, particularly during the rush hour periods.

Mr. Cunningham: Again, we will be supporting this legislation, which brings in a number of changes to the act that reflect, I guess, the changes that exist in the operation of vehicles on our highways—the realities, I suppose, that are associated with those changes.

One particular section I am pleased to see we have taken almost immediate action on is the amendment pertaining to unlicensed drivers, which I believe is in section 4.

As honourable members might be aware, in February 1981 the Supreme Court ruled, I think it was under section 238 of the Criminal Code, that it was *ultra vires*. There was some prohibition against the prosecution of persons driving while disqualified by a regulation under the Ontario Highway Traffic Act and they were deemed to be not subject to sanctions under that legislation.

I believe these changes will be of great assistance to the ministry and to the government in assisting them and monitoring and keeping people who are unfit, and who are determined by law to be unfit, off our highways.

I had a particularly sad experience meeting with a gentleman who lives about 100 yards out of my constituency. He visited me during the course of the last election—which had nothing to do with the visit. His son had been killed on his way home from hockey practice. He was a fine young man, a tremendous athlete, and only 17 years old. This occurred on Highway 6 in the village of Mount Hope in the region of Hamilton-Wentworth. The Spectator account of this said:

“A youth on his way home from hockey practice died Saturday night in a crash on Highway 6 right in front of his house. Brian Sansome, 17, was catapulted from the wreckage of his friend’s car after it was involved in a rear-end collision with a transport truck loaded with lumber. The impact hurled him on to the highway into the path of another car and he was pronounced dead at Hamilton General Hospital. He was an Ancaster high school student active in sports.”

A spokesman for the Burlington Ontario Provincial Police said Brian was a passenger in the car driven by a fellow hockey team-mate. The individual driving the vehicle that hit him was ultimately charged with criminal negligence causing death, with dangerous driving and, more appropriate to this legislation, with driving while his licence was under suspension. I believe the individual involved had been drinking.

The father of this young man was not so much concerned with retribution, because it would serve no purpose, but rather to make sure this individual did not drive again and, more appropriately, that any deficiency that may exist in our legislation be corrected to accommodate the removal of people like this from our highways.

Quite sadly, many of those charges were dropped because of the deficiency in the current legislation. I am not entirely positive, but I believe the acting crown attorney at the time ultimately settled for some form of plea bargaining which resulted in a lesser charge and a lesser conviction.

I took the time to find out about the individual’s driving record. It was a severe indictment of the ministry’s control system, because quite clearly this man should not have been on the highway under any circumstances whatsoever. In fact, I think it had been his second dangerous driving conviction.

As I mentioned, he had been drinking. I believe he had a breathalyser and impaired

driving conviction which resulted in incarceration previously, but here he was driving a transport truck loaded with wood, on a clear night, and was involved in an accident that took the life of an innocent, 17-year-old young man.

Through these comments, I really do hope I might impress upon the minister the necessity of impressing on the driving public the privilege aspect of a driver's licence. All too often we see people abusing that privilege and invariably the lives of others are at stake; either passengers in their cars or people with whom they come in contact die. Only a week ago I attended the funeral of a young man, the son of the mayor of the municipality where I live, whose motorcycle was involved in a collision with a car.

These tragedies are common to every constituency in the province. Frankly, I think we have to take more and more time with them. I support the balance of the legislation. As a commuter, I am somewhat aware of the difficulties as they relate to section 15 and the directional lights.

4:40 p.m.

I think section 16 is basically a good idea. The major problem in this section would be its administration and the enforcement of that legislation. All of us as drivers are aware and mindful of sudden changes that exist on the roads. A person might anticipate entering an intersection with every expectation of getting through that intersection and then, as a result of someone either cutting in, a car stalling or whatever circumstance, one might not reasonably be able to get through that intersection.

I appreciate what the minister is endeavouring to do through this amendment, especially in major municipalities such as Toronto. In our built-up urban areas, this certainly would be a good idea, but I believe it will only be a good idea if it is enforced fairly by the Ontario Provincial Police and by our police forces across Ontario. If they demonstrate their traditional element of fair play, I suppose it could be worked out.

I should add at this time that what I think the ministry should be doing in this regard is endeavouring to increase its commitment to more proper traffic management; that is, proper funding, increased funding for turnoff lanes and, more particularly, advanced and delayed signals and the marking of those signals.

I know it is of great assistance to drivers where it does exist. I know the minister has had a number of concerns from my own constituency about the widening of the highway through

our village. That widening might not be necessary if the three traffic signals in the village of Waterdown were advanced and delayed and properly marked with turnoff lanes. But that is another matter, and we might get into that at some other time.

Once these changes to the legislation become reality, I hope as well that the ministry will consider in its communications program, possibly through its safety program, making comments about the ramifications of passing on the left, and passing on the right for that matter, as well backing up on highways.

As one who travels the Queen Elizabeth Way on a regular basis, I am astounded to encounter cars backing up to get on to Guelph Line or Walker's Line. I do not know at this point why they would want to get on to Walker's Line, because it is a traffic mess, but that is another matter and the minister is familiar with it, I would think.

Obviously, people who have passed the ministry's driving test are not aware of the inherent dangers of backing up on a highway. I think a communication program in that regard would be beneficial to the driving public.

Mr. Samis: Mr. Speaker, I must admit that I find some difficulty in speaking to the so-called principle of the bill since it is cleverly drafted to incorporate a variety of provisions.

Mr. Stokes: It has many principles.

Mr. Samis: I have to disagree with my colleague and say that it does not really possess many principles, but I do give credit to the drafters of the bill since it incorporates many worthwhile changes which we will support.

I strongly support section 4, whereby the penalties are increased for people driving while their licences are suspended. That is a serious problem in this province. I think the violators should realize that we intend to be serious with them, because the present penalties obviously are not working; there does not seem to be much of a deterrent effect on those violators. I will strongly support any initiative to increase the penalties, and I will support section 4 wholeheartedly.

I probably would even go one step further. I know this has been debated in estimates before, but I would also suggest that we give serious consideration to the inclusion of photos on drivers' licences to assist police in determining who is actually driving with a suspended licence. I think it would make their job easier. I realize it involves an expenditure of public funds but, if

one looks at the costs involved as a result of people who have driven with suspended licences and who have got involved in accidents and the special problems that causes the police, it is a worthwhile investment for the province and for the ministry.

I support section 8. It gives far greater flexibility to the authorities. It is much fairer to the drivers of this province to allow the authorities to designate one or the other to submit the vehicle for an examination.

In section 10, we will support the exemption although, having read the particular recommendation of the Biggs report and having had the deputy explain it to us at least three times, I am still somewhat baffled about the special exemption for poultry trucks; we will support that if it is of assistance to the agricultural community.

The inclusion of public utility emergency vehicles and waste disposal vehicles makes obvious good sense. We welcome that new exemption. Coming from an area outside Metropolitan Toronto, I especially welcome the recognition of the value of decentralization in allowing regions to set their own priorities and policies according to the particular circumstances of each region. In the case of a reduced load period, this idea of regionalization makes eminent good sense, and I welcome that.

I suppose if I had any reservations in general about the bill, they would revolve around section 16. I can see the rationale for the inclusion of that section, but I stress to the minister that this is going to cause problems for people, especially beyond Metropolitan Toronto, who visit this area. I presume the major pressure did come from the authorities in this city.

People are not used to this idea; they will find it extremely different from the driving habits and the regulations they are probably accustomed to in their own communities. I hope the ministry will make some provision to ensure that municipalities adopting it will publicize it as much as possible so that the motoring public will know in a particular municipality that the rules are different from those they are accustomed to.

I know a parallel has been made with the idea of crosswalks, which were introduced in Toronto quite a while ago when no other municipality had them. I think they are fairly obvious and certainly well publicized. There were problems, admittedly.

This change will involve far greater problems

in terms of publicizing it, because of the number of crossings involved and the fact that we will not be investing in large overhead signs, and we will probably not be using markings on the pavement per se.

I hope the minister will use the authority of his office to stress to municipalities that, for people travelling to Toronto or to any other city in this province that does adopt it, they have a responsibility to the drivers to inform them of this change.

As for sections 17 and 18, in terms of freeways and backing up, I think those make obvious good sense, and I understand the police have been pushing for them for quite a while.

As for pedestrians on highways, in section 19, I think that again is a very worthwhile amendment which we will support.

Section 20, the impounding of vehicles, also makes good sense in terms of enforcing the Highway Traffic Act.

All in all, we will support this bill.

Mr. Stokes: Mr. Speaker, very briefly, I think there is some ambiguity dealing with sections 12 and 13; at least it is not clear in my mind what is meant expressly.

Section 12 says, "For the purpose of this act, the minister may make regulations providing for the regulation and control of traffic on any highway or portion of a highway in territory without municipal organization where the highway is not under the jurisdiction and control of the ministry."

I suppose the minister is referring to the many areas where there is really no one other than a local services board having control over a highway.

If he is going to give himself the right to make that determination in areas that are not under his control, and that is what he is asking for, I wonder why he would not take to himself the responsibility for exercising good judgement on areas that are within his control.

I speak particularly about the instance of Jellicoe, a small hamlet without municipal organization. It does have a small local roads board, but the ministry participates in a cost-sharing agreement with them for the maintenance of those roads, other than Highway 11 which runs right by the community.

4:50 p.m.

My purpose in speaking to this section is that on numerous occasions they have asked the minister to put in a regulation that would control the rate of speed at which traffic goes

through that community. As is the case in most small communities, the school is on one side of the highway and there are people living on the other side. Small children of kindergarten and junior grade age have to cross that highway. It is a fairly straight section, but it is not uncommon to see vehicular traffic going through that community much in excess of the posted speed limit of 80 and 90 kilometres an hour.

I have had several requests from concerned parents to have the ministry do something about that. The answer has always been in the negative, saying, "We do not want to unduly restrict the flow of traffic through that community; you are just going to have to be more vigilant and watchful of little children crossing the highway, principally when going to school."

It does not apply only in this instance, but also at Pays Plat, which is an Indian reserve on the main route of Highway 17, about 21 miles west of Schreiber, where they have people living on both sides of the highway. They wanted a reduction of the speed limit. There is a bridge there that makes it very difficult for pedestrians to get away from traffic.

If somebody is cutting the mustard in that area, it is a great cause of concern for those residents on the reserve. We have a "no passing" sign and a "watch for pedestrians" sign, but we are still having difficulty.

The reason I raise this is that if the minister is going to give himself the right to regulate and control traffic in areas that are not normally under his jurisdiction, why would he not do that wherever there is sufficient cause on a highway that is under his jurisdiction? I would like the minister to respond to that.

The only other comment I have is on section 13, which says, "The minister may make regulations providing for the posting of signs and the placing of traffic control devices on any highway or any type or class thereof for the purposes of this section, and prescribing the type of signs and traffic control devices."

The minister's regional people in Thunder Bay will know what I am talking about with regard to the hamlet of Armstrong, where the roads are operated and maintained by yet another local roads board in which the ministry participates.

There is going to be a relocation of a crossing at grade of the Canadian National Railways line to get to the eastern part of that community. People within the ministry have been negotiating with the federal Department of Transport and the Canadian National Railways over a period of years.

Finally, the railway transport committee of the Canadian Transport Commission has come up with an edict saying, "This will be done and a certain portion of the cost will be the responsibility of Canadian National Railways and a fair portion of the cost will be the responsibility of the local roads board."

By amending this section of the act, will it permit the ministry to enter into an agreement with the local roads board in that instance and assist them with the fairly significant amount of money that is going to be required just for that relocation?

The relocation is a convenience for Canadian National Railways, because they block the crossing if they have reason to stop in the town of Armstrong and, because of the length of the trains, this at-grade railway crossing in many instances is blocked for well in excess of the permitted time of five minutes.

They are going to move the crossing farther east to relieve that problem. But in so doing they will place a great burden on a local roads board that has no means of bringing in money other than saying, "If it is going to cost us \$3,000 to maintain our little network of roads, we are going to assess each property owner in this little community X dollars to generate the necessary funds for whatever maintenance is required."

Of course, the ministry is fairly generous in the way it assists them in that kind of work. But when there is a situation such as I have explained which places an unusually heavy burden on them as a result of a relocation, will this section give the government the authority to assist them in those works? If not, why not?

Hon. Mr. Snow: Mr. Speaker, I will answer the questions in reverse order. I must deal with this big problem about Armstrong and section 13, which deals with signs, not local roads boards. But as the honourable member knows—

Mr. Stokes: It says signs and devices, and I am talking about railway wig-wags. The minister knows what I am talking about.

Hon. Mr. Snow: The member did not tell me that. He talked about the relocation of a track or something.

Mr. Stokes: Railway crossing signals; the minister knows specifically what I am talking about.

Hon. Mr. Snow: Is a railway wig-wag a traffic

control device? My officials tell me that a railway wig-wag, as the member calls it, is not a traffic control device.

Mr. Nixon: We say otherwise.

Hon. Mr. Snow: Oh? Well, let us have an argument.

Sections 12 and 13, which the honourable member referred to, deal with the control of traffic and the approval of stop signs and such things in unorganized territory or in local roads boards territory. This power was given in the amendments last year, I believe, so we could have a provincial regulation to create a speed limit or authorize a stop sign in an unorganized territory on roads or at junctions of roads, because there is no municipal body there to pass a bylaw to establish the speed limit or the stop sign.

Before this, it had to be done by a Lieutenant Governor's regulation and an order in council. The standing committee on regulations and other statutory instruments noted that this was a very difficult and time-consuming way of making such a regulation; so they recommended that it be changed from a Lieutenant Governor's regulation to a minister's regulation, which is much simpler.

If a local roads board wants to put a stop sign up some place, the ministry makes the regulation and I sign it. It is done. It does not have to go to cabinet, the Lieutenant Governor or anybody else. That was the reason for sections 12 and 13.

We will deal with the member's Armstrong problem with the local roads board, which we treat very generously. But I do not know if it will involve that wig-wag.

I thank the member for Cornwall for his support for colour photos on drivers' licences. Of course, we included that in amendments a few years ago but, unfortunately, I have not been able to get the funds yet to implement it. I am still working on that and hope to do it.

On section 16, both the member for Cornwall and the member for Wentworth North referred to the blocking of intersections. This has been requested by some municipalities. It is not universal. It allows a municipality to pass a bylaw if there is a problem in its municipality, but it does not require that the whole municipality should be included. For instance, the city of Toronto could include only the downtown core.

5 p.m.

The member for Wentworth North referred at the start of his remarks to the sad case of the

accident involving an unlicensed driver or a driver under suspension. This is a terrible problem for us all. In my ministry, under our regulations and through our driver control office, we maintain the records of all the drivers.

We suspend the licence when the court says the licence is to be suspended. We are not involved in the enforcement of these things, because it is the Ministry of the Solicitor General, the Ontario Provincial Police and the municipal police forces that check for people who may be driving while under suspension. I know it is a terrible problem. It is one we continually try our very best to attack, along with the police forces, but it is a difficult one.

It was so saddening yesterday morning to hear of the terrible accident in Mississauga where five young people were killed. It had nothing to do with the Highway Traffic Act or anything else. At this stage, there no doubt will be an inquest that will determine the cause of death. From the newspaper stories I have read, I find that the young man driving that vehicle had been driving for four years and had never had a driver's licence, let alone been suspended. He had never had a licence in his life and yet was driving that vehicle.

Mr. Nixon: Have you any estimate of how many people are driving on the road right now without a licence?

Hon. Mr. Snow: I am sure there is an estimate, but I do not know. I guess we know how many licences are under suspension. As to how many people actually drive while they are under suspension, we do know there is a percentage, because some people get caught.

Mr. Nixon: I think it is thousands, tens of thousands.

Hon. Mr. Snow: Some people keep getting caught at it. They are dealt with very harshly, and more so under this legislation. One cannot help but have sympathy under some circumstances for someone who loses his licence but, on the other hand, I can have no sympathy for someone who drives while his licence is under suspension.

I think that basically covers the comments that were made on the bill.

Motion agreed to.

Ordered for third reading.

DANGEROUS GOODS TRANSPORTATION ACT

Hon. Mr. Snow moved second reading of Bill 93, Dangerous Goods Transportation Act.

Hon. Mr. Snow: Mr. Speaker, in November 1980 I introduced the Dangerous Goods Transportation Act as the then Bill 189 and reintroduced it as Bill 93 on June 2, 1981.

This bill is complementary to the Transportation of Dangerous Goods Act of Canada, which applies to anyone who handles or packages dangerous goods, such as shippers, consignees and warehousemen, along with those who carry them under federal jurisdiction, such as airlines, ships and railways.

Bill 93 is designed to promote the safe transportation of dangerous goods in all vehicles using provincial highways. The bill makes it an offence to transport dangerous goods in any vehicle on a highway unless it is in accordance with the federal safety regulations, including those regarding packaging and placarding of vehicles.

Once enacted, this Ontario legislation will be enforced by duly authorized Ministry of Transportation and Communications highway carrier inspectors who will be empowered to lay charges under the act.

To ensure compliance, we have set some hefty fines for carriers who break the law. The primary provisions carry a fine for contravention of up to \$50,000 for the first offence, up to \$100,000 for each subsequent offence and I intend to introduce a motion in the committee to provide also for a jail sentence at the discretion of the court.

In committee, I also intend to move an amendment to permit regulations to be made to require persons involved in occurrences where there are discharges of dangerous goods from faulty containers or vehicles to complete a report to the federal dangerous goods secretariat after the event. This reporting on a national basis is necessary so that defective types of containers, hazardous practices, et cetera, can be identified and corrective action taken.

I am confident our legislation will provide for the safe and efficient movement of dangerous goods, regardless of origin, on all provincial highways in the interests of Ontario residents.

The two amendments I propose to move when we take this bill into committee have been discussed with the federal government, the dangerous goods secretariat. We are going to bring our act into line with the federal act, which provides for a jail sentence, for instance, for the other three modes of transportation. This will make the highway mode compatible with the others in all ways.

Mr. Samis: Mr. Speaker, first of all I want to thank the member for Wentworth North (Mr. Cunningham) for allowing me to speak out of order, to enable me to catch a train back home this evening. I thank him for that courtesy.

Mr. Nixon: Liberals are all heart.

Mr. Samis: All heart, yes. It is kind of ironic that we are discussing this bill on second reading today. If I am not mistaken, this is the second anniversary of the Mississauga incident. It is two years today since that epic event took place and here we are two years later finally getting around to this type of legislation. However, we in this party will support the legislation.

While I and my colleagues support the passage of the bill, as legislators we have an obligation to inform the public that the bill will not eliminate all of their or our concerns about the movement of hazardous substances. The bill will not prevent disasters on the scale of the Mississauga one, for example. In fact it will not even apply to a Mississauga situation in that rail is a federal responsibility, along with air, marine and interprovincial transportation of dangerous goods. It only deals with road or highway transport and only with intraprovincial transportation of dangerous goods, not interprovincial.

While it provides for proper classification, packaging and identification of all dangerous goods being transported, it does not deal with the safety of transport vehicles per se. It does not establish safety standards and procedures respecting the safe operation of any mode of transport or any industrial activity. It only addresses the question of dangerous goods.

While the bill does represent a considerable improvement in the regulation of the transportation of dangerous goods in Ontario, the general public should realize its limitations and realize that even with stringent regulations, even with a bill with lots of teeth in it, even if the transport companies do everything humanly possible to prevent accidents, some accidents will occasionally occur. I point specifically to the incident raised by my colleague from Port Arthur (Mr. Foulds) in the House on Tuesday, the incident that took place near Kenora.

We must never forget the basic long-term solution is to reduce our society's dependence on nonrenewable materials, which are themselves dangerous or made from dangerous goods. Chemical technology is outstripping our knowledge of its effects. Some 63,000 man-made chemicals are now in use. One thousand more new chemicals are added to the list every

year. Transportation is clearly only one aspect of the problem. There is also the manufacture, storage and disposal of these products. As a society, we should be asking ourselves if we want to or we must continue producing so many hazardous goods, and if we should not be treating them comprehensively from the cradle to the proverbial grave. However, it is a matter well beyond this Legislature and this bill.

I would like to deal with the bill a little more specifically. I believe in its present form it represents an improvement over the previous bill introduced in this House, just as the final bill passed by the federal Parliament was certainly an improvement over the earlier bill. I congratulate the minister for the importance he has attached to the passage of this legislation, although I regret that his cabinet colleagues have not demonstrated the same degree of interest or urgency on the matter.

I believe it makes good sense to parallel the federal legislation in order to provide a semblance of uniformity and continuity wherever and whenever possible. However, that does not preclude Ontario from adopting special regulations of its own or from expanding on the federal bill in certain select areas to suit special conditions or problems unique to Ontario. Our party has long supported the introduction of strong, comprehensive legislation on the transportation of dangerous goods; I believe study of the debates in the House of Commons will clearly reveal that NDP members led the fight to toughen the original federal bill. I was pleased to note that some of their amendments were incorporated into the federal bill and obviously are reflected in this bill today.

5:10 p.m.

I point specifically to amendments such as the one requiring the minister to publish reports of inquiries rather than keeping them confidential; the amendment which requires properties seized by an inspector not to be returned until after the danger to the environment has been reduced; the amendment that permits the government to collect expenses for disposing of dangerous goods from persons who abandon them, within which legal action to recover expenses can be taken to a period of two years after a spill becomes evident; and the amendment to more equitably ensure the sharing of responsibility between the corporation and/or its employees for violations of the act.

Several worthwhile amendments were rejected by the federal government. The most important among these were: provisions for a compensa-

tion fund, an equivalent of our own spills bill, especially section 8(a) for the requirement to restore the environment to its previous condition; a provision to establish a general duty of care on shippers and handlers to take all possible care in the packaging, handling, shipping and transportation of hazardous goods; a provision to amend the definition of dangerous goods to include hazardous wastes; and finally, a provision to provide for all levels of government and private individuals to recover for losses which resulted from spills, any expenses incurred in any cleanup.

I do not intend to repeat all the arguments for these amendments in this debate, but I do want to make it clear we favour a strong, comprehensive, meaningful piece of legislation in order to protect human life, public safety and personal property as much as possible within our own jurisdiction. I would like to raise some questions about the bill before us today and I hope the minister will respond.

1. I have some reservations about the broad and unlimited powers given to the minister in section 2 to grant exemptions from the legislation. This loophole seems to be so broad it could be used to undermine the real intent of the bill. The precedent of the Environmental Assessment Act stands out as an example of a potentially good piece of legislation seemingly sabotaged by the loopholes written into the legislation. I would like the minister to address the question of exemptions by giving us some idea of what circumstances, for what purpose, he would envisage this power being used. Why are there seemingly no limitations on that power of exemption? What assurances do the people of Ontario have that this will not be used to do an end run around the provisions and regulations of the act?

2. Why did the minister feel the need to include a section such as section 5? While recognizing it is certainly an improvement on section 5 in the previous bill, why was it included in the first place?

3. What is the status of section 8(a) of the spills bill as it pertains to this act? Even though this bill was passed in 1979, I understand it still has not been proclaimed in force. What pressure has the minister exerted on his colleague from Kingston, the Minister of the Environment (Mr. Norton), to ensure the spills bill will be proclaimed before this bill comes into force. Without the spills bill in place, especially section 8(a), this legislation will be left with a major gap at the very outset—one that could

seriously undermine the effectiveness of the bill. In simple language, why the delay? What is holding up things? What is the minister doing to attempt to expedite the process that is so important to the success of his bill?

4. Why is there no provision in this bill for an annual report by the minister on the administration and enforcement of the act as there is in the federal legislation?

5. Why is there no provision for public input in the preparation of the regulations associated with the act, again as there is in the federal legislation? Why was this bill watered down in these two respects? We strongly believe there should be annual reports and there should be some process established to provide for public input. If I may quote from the Commission on Freedom of Information, Individual Privacy, in its 1980 report, they said: "Consideration should be given to the adoption of provisions providing for notice and comment opportunities in specific statutes which confer rule-making powers in governmental institutions." Page 410.

6. Why is there no mention of ticket offences in the bill and no information on a schedule of fines? The federal legislation has a statement of ticket offences and the Ontario Trucking Association has made it clear they want to see a similar provision in the provincial bill unless it is covered under the Provincial Offences Act.

7. Since the Ontario waybill regulation apparently does not apply to hazardous solid waste, liquid, industrial or hazardous wastes that are stored or disposed of on the generator's premises, and since wastes that are recycled—for example road dust control in the case of waste oils—what does the minister intend to do to update the waybill system to incorporate these different types of waste materials?

8. Could the minister tell us what application this bill will have for the transportation of dangerous goods on largely privately-owned company property such as the huge Inco property in Sudbury, Dofasco in Hamilton, Imperial Oil near his own riding or General Motors in Oshawa? Could he tell us what the duties of such companies would be in the case of an accident on their properties in terms of reporting that accident to either his ministry or the local authorities? I understand what happens when they transport the goods across a public roadway, but I am asking what happens in terms of a large privately-owned property when we have an accident involving dangerous goods? What are their responsibilities as a result of this act?

9. What type of truck inspection system does the minister envisage as a result of the passage of this bill? What frequency would there be for such a program? Could he amplify on his remarks made in his speech—I believe it was on April 7 of this year—when he spoke in terms of a comprehensive truck inspection program for the province? I think he said it would be two inspections per year. I believe he spoke of a brake inspection program for the province in terms of one per year.

10. What type of extra training will be given to those inspectors required to administer the act on the road? Could he tell us what type of training he would envisage or would he recommend to his colleague that Ontario Provincial Police officers and possibly various fire departments across the province receive to cope with situations such as that raised in the Legislature by my colleague from Port Arthur on Tuesday? I think it is extremely important that we have qualified trained people across the province who are able to respond to such emergencies as the one near Kenora. I realize this does not all come within the purview of the minister, but I think it is something that has to be dealt with in order to make this legislation effective, meaningful and productive for the province.

We will support the legislation because it parallels the federal legislation. We want to see it in effect as soon as possible. We will have two minor amendments dealing with public input and annual reports. We hope the regulatory process would be expanded to include public input and that we will adopt a provision such as that now contained in the federal bill whereby the minister must make an annual report on the enforcement and administration of the legislation.

Mr. Cunningham: Mr. Chairman, the honourable member for Cornwall quite correctly mentioned that shortly before midnight today is the second anniversary of the CP derailment at Mavis Road in Mississauga. Mindful of that, cognizant of the fact we were debating this bill today—I only assume it is a coincidence—I took a look at the discussion paper on proposed emergency planning legislation that has been tabled by the Solicitor General (Mr. McMurtry) for the province. On page 15 of that report the Solicitor General made reference to the report of the Honourable Mr. Justice Samuel Grange.

"Part of that report states: 'In Mississauga not only were there explosions and fires requiring immediate and continuous firefighting and police control but the apprehended danger from the

chlorine resulted in the evacuation of nearly a quarter million people.' The report indicates the major problem at all times was the danger to the public posed by the escape or possible escape of chlorine. No one could tell the command team exactly how much chlorine remained in the tank car. The report states that all estimates given were of an amount that, if it all escaped, could be catastrophic.

"It turned out that most of the chlorine escaped in the first few minutes with little or no adverse effect, perhaps because of the drawing-up effect of the explosion and the fire. Nevertheless, the commissioner pointed out that even in hindsight he was happy with the decisions and that they were theirs and not his."

Those of us who followed that incident with a great deal of interest recognized our good fortune that the chlorine tank was in close proximity to a propane tank and the attendant fire and explosion ultimately caused the dissipation, the drawing up, as the report concluded, of the chlorine gas. What the report really summarizes for us, and it should be something that will be ever present in our minds as legislators, is the continuing and ever-present danger that exists with a spill or catastrophe with commodities that would be categorized as dangerous. That is what this legislation is all about, albeit it is long overdue and has been delayed for a number of years.

5:20 p.m.

At the time we are debating this item of legislation, the spills bill, which we went through last year, has yet to be proclaimed if I am not mistaken. I find this situation a little difficult to comprehend.

In my own community we had, I think just before if not during the last election, a near tragedy on the Burlington Skyway. I have to outline in some detail what the tragedy was, because that death trap is an area where we are consistently being faced with traffic dangers, fatalities and personal injuries. This event was the result of an accident with a truck that, ironically and coincidentally, was carrying chlorine. While to the best of my knowledge no one was killed and no one was severely injured, this kind of thing, especially on the skyway bridge, could have been a major disaster for the people living in that community, especially the unfortunate people who have to live under the bridge.

Not that long ago in my own constituency we had a serious tragedy only about four or five miles from my home in Waterdown. This was on Highway 6. It was the result of an explosion of a

gas tanker that had a pup tank of gasoline behind it, the unit travelling in a northerly direction. It was in a collision with a sanding truck operated on behalf of the municipality on a contract basis with a construction company.

It is not my function to determine who was at fault. Unfortunately and quite sadly, the driver of the gas truck died in that accident, it is to be hoped instantly. The driver of the sanding truck, who was 19, and his sister, who was younger than he, were very badly burned in that explosion. I examined the site, and the devastation that occurred as a result of that explosion was indeed something. The road was badly disturbed. The power was cut off for some time.

That was the explosion of a gas tank. I think incidents like that make the difficulties that can occur with a spill of a dangerous commodity more present in our minds.

I can recall, during my term on the select committee on highway transportation of goods a number of years ago, hearing of an occasion when a young law student in Toronto died when a tanker of hot roofing tar, being operated in a careless manner with brakes not properly hooked up, tipped over on a ramp and spilled over on to this individual's compact car, burning this individual and ultimately resulting in his death. In this situation I believe—and I am relying on my memory, which sometimes fails me—the coroner's inquest in this regard made some severe indictments of the owner of the truck for not maintaining that vehicle in a roadworthy condition.

I have some reservations about this legislation. I am concerned about some of the exemptions that may be made. I hope and I trust the minister will see this act is not watered down and that it is enforced in as stringent and effective a way as possible. I feel the Ontario Trucking Association is generally in support of legislation of this order and, through its work with its membership, is promoting a safety program that clearly is not only in the interests of the membership but in the interests of people who drive on our highways.

Sadly, not everybody is a member of that organization. This act, of course, will apply to private haulers. In many instances it is all too easy to blame the operator of a truck. It invariably takes two vehicles to cause a collision and often the fault, however pointless it is to assess fault, can be attributed to the operator of the passenger vehicle.

I have some concerns about how the assistant deputy minister in charge of regulation and

safety may liaise with other jurisdictions so that they are aware of the federal legislation and aware of the requirements that exist in this province. I do hope in some way this ministry can work with the federal government, mindful of its involvement in the approval of vehicles that will haul and carry dangerous goods, to develop safer vehicles—vehicles which, if they were carrying in tank form dangerous chemicals, would be properly constructed and up to the most advanced engineering standards we could possibly imagine.

I hope, at the same time, these inspectors will be given the power and the licence to go after the haulers of industrial toxic chemicals who do so without the benefit of a licence and possibly with complete and total disregard for the public, both for people in the areas where those chemicals are dumped without permission and, more significantly, for people who might encounter them on the highways.

Any analysis of major landfill sites in Ontario would lead the Ministry of the Environment to conclude most certainly and clearly that chemicals that have no business being there are being dumped in those sites. The long and the short of it is that people are moving chemicals without the benefit of legislation. Unfortunately, it is obvious that most of the responsibilities in regard to the monitoring of dangerous goods will be federal responsibilities, and, as the minister very clearly points out here in the table on page five of his compendium, for the most part at federal expense.

I am not going to indicate at this time that I believe that to be a cop-out. I am satisfied and somewhat pleased that finally this legislation will become a reality. I hope, if the legislation is not watered down and is properly enforced, the public will be well served by it. I would like to concur with the suggestion put by my friend the member for Cornwall with regard to the necessity for tabling an annual report. If this legislation is going to work and if the public is going to be properly served by it, the ministry should be tabling with the assembly an annual report regarding the operation of the act and indicating some statistical analysis of what has gone on with inspection, to what end we are experiencing compliance and to what end the public is being served.

Ms. Bryden: Mr. Speaker, this legislation is long overdue. We have been urging the government to bring in this kind of legislation literally for years, but always the excuse was we had to wait until the federal government brought

in its new legislation in this field. In the meantime, we had trucks and vehicles going along our highways with insufficient placarding; insufficient regulation as to the specifications for the vehicles, and various accidents happening and spills occurring and no law to hold the person responsible, because there was no very strict regulation of the transportation of hazardous substances.

There also was some conflict of jurisdiction between the Ministry of the Environment and the Ministry of Transportation and Communications. The Ministry of the Environment in some cases required placarding and the Ministry of Transportation and Communications may have required it in some cases as well. The Ministry of the Environment required a permit to be obtained by the transporter of some hazardous substances, and in other cases it appeared to have no jurisdiction.

I hope the minister has sorted out the jurisdiction of the two ministries in controlling the transportation of hazardous substances under this bill, because it would be desirable if there were one set of rules for carriers to observe in obtaining permits for carrying different kinds of hazardous substances, in placarding and in building their vehicles to certain specifications.

5:30 p.m.

Another thing about this bill that disturbs me is that it is to be put into effect by proclamation, which could mean another long delay. I think it is almost two years since the spills bill was passed, and it still has not been proclaimed. It may sound like very good legislation on the books, and it may make people think this government is concerned about controlling these hazardous substances and protecting the public, but if the bills remain unproclaimed they are little more than artifacts of the Conservative government.

There is one thing about the schedule to the bill that mystifies me. I notice the schedule is used to determine what a dangerous good is. Under the definition section, "dangerous goods" mean "any product, substance or organism included by its nature or by the regulations in any of the classes listed in the schedule." There is a mysterious class seven in my copy of the bill which has no designation on it. Whether it is a hazardous substance so dangerous that it produces the effect of disappearing ink I do not know, but I would like to know what is in that secret class seven of goods that are considered hazardous.

There are also a great number of subsections to section 11, empowering the government to make regulations, and this appears to be part of the kind of bill we often get from the Conservative government. Basically the bill is just a shell, and most of the actual requirements are done by regulation.

I think we, as legislators, are being asked to buy a pig in a poke by this procedure. I think more of the requirements should be spelled out in the bill; but if we are not going to be able to spell out all the requirements in the legislation, and if we are going to do a great deal of the regulating of hazardous substances and their transportation by regulation—and I can see there are cases where very detailed and complicated requirements should be spelled out and could be varied by regulation—I would submit that this government should adopt the policy of prepublishing regulations and allowing time for public comment on them. This is being done by Ottawa in a considerable number of areas, it is done in the United States by a number of jurisdictions, and it does provide for public input on the details of the regulations.

I think we need that sort of public input, because occasionally the public will be able to find errors in the regulations or will be able to make suggestions as to how they can be improved. In a way, the public in these circumstances performs the role of the legislators in looking at the details of a requirement. So I hope the ministry will start to follow the practice of prepublishing the regulations.

One other thing the regulations do, which my colleague mentioned in considerable detail, is to provide for exemptions. This is another area where we in the opposition have considerable concern about how much that power will be used. If that power is used to make the act inapplicable to a great many areas where it should apply, and where there are hazardous substances being transported, then the legislation becomes more or less a dead letter in those areas, and the government is able to exempt from the terms of the act, substances and carriers that should be covered.

I hope the government will use that exemption power very sparingly. Perhaps when exemptions are requested by a large segment of a particular type of carrier, the government will submit the proposal to a public hearing to allow the public to say whether it thinks those exemptions should be granted.

There is one other area in which I am not sure whether the bill provides a sufficient require-

ment for notification of what hazardous substances the carriers carry. I know the bill requires the carriers to give information on what they are carrying to the ministry. Does it require them to notify the municipalities through which they will be passing carrying highly dangerous products? This was a request from the city of Mississauga after the Mississauga train wreck. It is a reasonable request. If they are carrying highly dangerous substances, the municipalities should be aware of what is passing through their jurisdictions that could result in a very serious accident.

The minister may say this would require tremendous numbers of pieces of paper to be processed and passed on to the municipalities, but if it is a shipment that occurs on a regular basis, there could be one notification to the municipality a year or one every few months or in whatever periods of time the regular shipments go through, rather than requiring them to be notified of every single truck load.

If it is an irregular shipment, and in particular a shipment containing something like radioactive material, then there should be notification to the municipality that the shipment is going through its boundaries. Then the municipality could design its own defence services in case of an accident. It could make sure its fire department is aware of what is passing through its boundaries. It could make sure its police department is equipped for a possible emergency.

It is to be hoped we will not have any more emergencies of the Mississauga train wreck type, but one should be prepared. It is reasonable for the municipalities to be notified of dangerous shipments.

I am suggesting the minister might consider some of these matters and possibly bring in some amendments when the bill is in committee stage.

Mr. Newman: Mr. Speaker, I do not intend to speak at length concerning Bill 93, the Dangerous Goods Transportation Act, 1981, but I would like to bring to the minister's attention the problem I have personally been confronted with when attempting to find out whether certain types of radioactive materials had been trans-shipped from a nuclear plant in the state of Michigan through to the city of Detroit, across the Ambassador Bridge, and then through to the Fort Erie border and back into the United States. Unfortunately, I was not able to trace that because of lack of co-operation on the part

of several different agencies and/or organizations, including the media personnel from the state Legislature of the state of Michigan.

It does concern me that much of the cargo that may be trans-shipped through Ontario, going into New York and states farther to the east, may not have to be labelled. It comes in from the United States, and may not have to be, or may not be, labelled to the extent this legislation at present requires. I hope that when and if this legislation does become law the minister will inform the various states and companies, if it is possible, that trans-ship materials through the southern part of our province, going on to the eastern seaboard or points east of the state of Michigan.

5:40 p.m.

Just recently there was a problem with a herbicide called Cobex, which is apparently used in the agricultural industry. It was being shipped by the manufacturer, United States Borax and Chemical Corporation of Los Angeles. It wound up in the city of Windsor and was eventually stored in an empty warehouse in the community. The problem we are confronted with is that the municipality is not notified. It did not know this commodity was in the community until it had been there for some time.

I think it is incumbent upon any shipper, or upon the ministry—maybe this is federal legislation; the federal government may be the one—to require the shipper to notify the federal authorities and also the province, if the material is going through our province. In the case of Cobex, three individuals, including two customs officers and a railroad employee, were adversely affected by inhaling fumes from this chemical.

As a result of several accidents we have had in the community, the labour-sponsored Windsor Occupational Safety and Health Council has been working for about a year now on a draft bylaw that would require all shippers to register dangerous commodities with the city public health department. The community was concerned, as was the occupational safety and health council of the community.

That was prior to the introduction of this bill. I hope it will allay some of the fears they have, and that it will require notice to communities through which any of these dangerous chemicals or goods may have to pass.

There is also the problem that some of the chemicals that may pass through are not considered dangerous on the American side. Their health and safety people do not consider them

as hazards, whereas we do. I think they will have to obey our decision if we consider them as hazards, and obey our laws as a result of that.

Another thing I would like to bring to the minister's attention is that when it comes to the shipping of alcohol, that is alcohol for human consumption, it seems strange that the authorities who operate a bridge in Windsor will not accept the trans-shipment of alcohol over that bridge, yet shippers can cross over the bridge at Sarnia with the goods. A shipper in Windsor who has to ship something to Detroit has to go all the way over to Sarnia, cross into Port Huron, and then go to a warehouse in Detroit, simply because the company that holds the privilege of operating a bridge in Windsor does not permit the trans-shipment of alcohol, which apparently must be, in its opinion, a dangerous cargo. We know it is a dangerous chemical, but I did not think it was dangerous to that extent.

Hon. Mr. Snow: Mr. Speaker, I thank the honourable members for their comments on this bill which, as has been mentioned, just happens to be receiving second reading on the second anniversary of Hazel's disaster. I am sure it was not planned that way. It was supposed to be dealt with last Tuesday, except other events intermingled with the program.

The member for Beaches-Woodbine was concerned about the proclamation of the bill. I can assure her that the bill will be proclaimed as soon as the federal regulations are ready. There has been a considerable amount of discussion regarding the regulations that will accompany this bill.

Basically, those regulations are the federal regulations that will be passed under the authority of the federal Transportation of Dangerous Goods Act. Those regulations, I understand, will be published, or prepublished as the member mentioned, and then there will be a time after they are published for public input on the regulations before they become final.

I cannot give the House a definite commitment as to when this act will be proclaimed or when it will become effective because, without the federal regulations, it is really not effective and for a specific reason. All 10 provinces and all of us as ministers of transportation have agreed with the federal government that we should have one set of regulations, one common law across this country, because many of these goods move from province to province and, naturally, we want the same regulations in each province. We do not want to have something travelling legally in Ontario and illegally in Quebec or vice versa.

The provision for exemption has been mentioned by some of the speakers. I see this provision being used very little. We feel it is necessary in the case of an emergency. We could have a situation where there could be an accident where there could be a spill of some dangerous commodity that could not be moved under the regulations without an exemption, because the regulation may call for it to be moved in some specific way. It may have to be moved in some other way; so it may require an exemption just to clean up after an accident. We certainly do not see many exemptions in that situation.

The notification of shipments is not included. To my way of thinking, it would be an impossible situation, because there are so many things listed in the federal regulations as dangerous goods. To try to notify every municipality about every one of those vehicles would be impossible.

Take chlorine, for instance. I dare say chlorine is shipped through many of our municipalities practically every hour of every day of every week; yet it is a dangerous commodity. Every time I go down to pick up a pail of chlorine at the swimming pool place to bring it home to doctor up the swimming pool, I am carrying a dangerous commodity. That is the commodity, as I understand it, that was in the truck on the Burlington Skyway that the member for Wentworth North was discussing. It was swimming pool chlorine, which is a common commodity that is shipped. Under these regulations, as I understand it, it would have to be placarded and properly shown on the bills of lading et cetera.

With regard to the discussion of an annual report, in our ministry annual report we now list the charges or convictions under all the different sections of the Highway Traffic Act. We can very easily expand that in our Accident Facts book report to give the information on charges

or convictions under this act. I am sure we can meet the honourable member's concerns about having an annual report.

5:50 p.m.

The member for Windsor-Walkerville mentioned something called Cobex. It is apparently a chemical that has been banned from sale in Canada by the federal Department of Agriculture, and the shipment that the honourable member is concerned about apparently is being returned to the United States.

Mr. Newman: No. It is in a warehouse in Windsor—80,000 gallons.

Hon. Mr. Snow: The information I have from my staff, who seem to know all about it, is that it is currently being shipped back to the USA for disposal. I did not say it had gone, but it has been banned for use in Canada, as I understand it.

Mr. Newman: If the containers leak, they have to put it in leakproof containers.

Hon. Mr. Snow: Anyway, it is apparently banned and is being shipped back to—

Mr. Nixon: What is this? A filibuster?

Hon. Mr. Snow: No.

I think I have covered most of the notes I made of the items the members mentioned.

Ms. Bryden: What about the schedule?

Hon. Mr. Snow: One of the members mentioned the ticketing of offences. I understand there is no need to mention it in this act, because the Provincial Offences Act has jurisdiction in that area. It is in the federal act—the member for Cornwall mentioned this—because the feds need a special provision for ticketing the offences.

I think that concludes my comments.

Motion agreed to.

Ordered for committee of the whole House.

The House adjourned at 5:53 p.m.

CONTENTS

Tuesday, November 10, 1981

Statements by the ministry

Walker, Hon. G. W., Minister of Consumer and Commercial Relations and Provincial Secretary for Justice:

Film censorship and classification 3361

Oral questions

Bennett, Hon. C. F., Minister of Municipal Affairs and Housing:

Rental construction loan program, Mr. R. F. Johnston. 3373

Drea, Hon. F., Minister of Community and Social Services:

Closing of White Oaks Village, Mr. G. I. Miller, Mr. R. F. Johnston. 3372

Elgie, Hon. R. G., Minister of Labour:

Employee health and safety, Mr. Martel. 3365

Workmen's compensation, Mr. Di Santo, Ms. Copps. 3371

Grossman, Hon. L. S., Minister of Industry and Tourism:

Skilled worker shortages, Mr. Smith, Mr. Breaugh, Mr. Sweeney. 3364

Pope, Hon. A. W., Minister of Natural Resources:

Aboriginal rights, Mr. Nixon, Mr. Laughren. 3367

Snow, Hon. J. W., Minister of Transportation and Communications:

Toronto Transit Commission fares, Mr. Martel, Mr. Smith, Ms. Bryden. 3366

Welch, Hon. R. S., Minister of Energy:

Ontario energy investment, Mr. Smith, Mr. Martel. 3362

Hydro exports, Mr. MacDonald, Mr. Smith. 3369

Ontario energy investment, Mr. Bradley. 3370

Petition

Humane hunting, Mr. Kerrio. 3374

First readings

Theatres Amendment Act, Bill 165, Mr. Walker, agreed to. 3375

Victoria University Act, Bill Pr35, Mr. Williams, agreed to. 3375

Second readings

Toronto Area Transit Operating Authority Amendment Act, Bill 2, Mr. Snow, agreed to 3375

Public Transportation and Highway Improvement Amendment Act, Bill 53, Mr. Snow, agreed to. 3380

Motorized Snow Vehicles Amendment Act, Bill 55, Mr. Snow, agreed to. 3384

Highway Traffic Amendment Act, Bill 150, Mr. Snow, agreed to. 3386

Dangerous Goods Transportation Act, Bill 93, Mr. Snow, agreed to. 3391

Other business

Visitor, Mr. Speaker.	3362
Inaccuracy in newspaper, Mr. Smith.	3362
Inaccuracy in newspaper, Mrs. Scrivener.	3374
Notice of dissatisfaction, Mr. Di Santo.	3375
Business of the House, Mr. Wells.	3375
Answers to questions on Notice Paper, Mr. Wells.	3375
Adjournment.	3399

SPEAKERS IN THIS ISSUE

Bennett, Hon. C. F.; Minister of Municipal Affairs and Housing (Ottawa South PC)
 Bradley, J. J. (St. Catharines L)
 Breaugh, M. J. (Oshawa NDP)
 Bryden, M. H. (Beaches-Woodbine NDP)
 Cooke, D. S. (Windsor-Riverside NDP)
 Copps, S. M. (Hamilton Centre L)
 Cousens, D.; Acting Speaker (York Centre PC)
 Cunningham, E. G. (Wentworth North L)
 Di Santo, O. (Downsview NDP)
 Drea, Hon. F.; Minister of Community and Social Services (Scarborough Centre PC)
 Eakins, J. F. (Victoria-Haliburton L)
 Elgie, Hon. R. G.; Minister of Labour (York East PC)
 Grossman, Hon. L. S.; Minister of Industry and Tourism (St. Andrew-St. Patrick PC)
 Johnston, R. F. (Scarborough West NDP)
 Kerr, G. A. (Burlington South PC)
 Kerrio, V. G. (Niagara Falls L)
 Laughren, F. (Nickel Belt NDP)
 MacDonald, D. C. (York South NDP)
 Mackenzie, R. W. (Hamilton East NDP)
 Martel, E. W. (Sudbury East NDP)
 McClellan, R. A. (Bellwoods NDP)
 Miller, G. I. (Haldimand-Norfolk L)
 Newman, B. (Windsor-Walkerville L)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 Pope, Hon. A. W.; Minister of Natural Resources (Cochrane South PC)
 Reed, J. A. (Halton-Burlington L)
 Reid, T. P. (Rainy River L-Lab.)
 Renwick, J. A. (Riverdale NDP)
 Samis, G. R. (Cornwall NDP)
 Scrivener, M. (St. David PC)
 Smith, S. L. (Hamilton West L)
 Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
 Stephenson, Hon. B. M.; Minister of Education and Minister of Colleges and Universities
 (York Mills PC)
 Stokes, J. E. (Lake Nipigon NDP)
 Sweeney, J. (Kitchener-Wilmot L)
 Turner, Hon. J. M.; Speaker (Peterborough PC)
 Walker, Hon. G. W.; Minister of Consumer and Commercial Relations and Provincial Secretary
 for Justice (London South PC)
 Welch, Hon. R. S.; Minister of Energy (Brock PC)
 Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)
 Wildman, B. (Algoma NDP)



Ontario

LEGISLATIVE ASSEMBLY

No. 95

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Thursday, November 12, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Thursday, November 12, 1981

The House met at 2:02 p.m.

Prayers.

ONTARIO ENERGY INVESTMENT

Mr. Smith: On a point of privilege, Mr. Speaker: There is an article on the front page of the *Globe and Mail* today that says back-benchers from the government party were to be provided with an explanation of the Suncor decision. It goes on to say that members from the two consulting firms were going to be involved in explaining to the government back-benchers certain aspects of the deal so they would have something to tell their constituents.

The member for Simcoe Centre (Mr. G. W. Taylor) is quoted as saying that he had a policy meeting in his riding and kept being asked by supporters, and I quote, "Why would the government buy into an oil company when we don't have money for schools and hospitals?"

After the very unfortunate events of last week, in which closure was introduced in this House when some explanation and information was sought by all members; after the additionally unfortunate situation that the standing committee on general government found itself in when it was blocked in its efforts to investigate the Suncor matter by the vote of its Tory majority; noting further that the House leaders met today and decided they did not really have any authority over the committee and the committee would have to order its own business, and in view of the fact that its last order has been to say basically that it will not deal with the matter, do you not feel, Mr. Speaker, that the privileges of the members of this House, the elected representatives of the people of Ontario, have been abused, possibly in the most obvious way since many of us have been here?

Members of the very firms about which we were asking questions, McLeod Young Weir and Price Waterhouse, allegedly were going to explain certain aspects of their letters to members of the Conservative caucus, when members of other parties are not to be given that sort of information. If it is true that those representatives of the brokerage house and the accounting house only explained what was written in the letters that were tabled here, then it is hard to

know what they possibly could have said, because those letters were self-evident. The letters simply said if one wanted to buy 25 per cent of the shares of Suncor, one would have to expect to spend somewhere in the vicinity of \$550 million to \$600 million plus to purchase them, given market conditions and so on.

Even Tory back-benchers could have read those letters and figured out what they said without explanation. If explanation in addition to that contained in the letters was given to the Tory back-benchers, then it is the grossest violation of the privileges of other members of this House to have a government member stand up and say repeatedly that any additional information other than that in the letters is totally confidential.

It is unacceptable that material of this kind should be kept from members who happen to represent ridings other than government ridings, and yet the back-benchers in the party of the government should be allowed to get additional information. The government cannot have it both ways. If the experts were there solely to explain the contents of the letters, any darned fool can understand the contents of the letters, because they are self-evident. There is nothing in the letters other than saying, "If you want to buy the shares, this is the price you need to pay."

Interjections.

Mr. Smith: Even the members who are busy heckling at the moment could have understood the letter without aid of illustrations.

On the other hand, if there was more to be explained than simply the face of the letter itself, then we have every right, as members representing ridings that happen to elect members of other parties, to that same information. This House is being seriously abused. The privileges of members of the Legislature are being seriously curtailed by a government that feels it is all right to have closure in the House rather than to discuss the details of the Suncor purchase and the basis of that purchase, and feels it can go ahead and discuss the matter with its 70 or so members in its own caucus.

Under these circumstances, Mr. Speaker, you ought to act to protect this House if it is not to sink even further than it has recently, regrettably,

into a place to be taken lightly by the government and a place where antagonism runs very deeply. If we are to be treated as totally redundant to the process of government and democracy by this arrogant majority, then it is up to you, Mr. Speaker, to protect our rights in this regard. If the government back-benchers can be told things about which the government supposedly was sworn to secrecy in the deal with Suncor, why cannot the rest of us? If they were not being told anything new, then what were they told?

Mr. Cassidy: Mr. Speaker, I consulted section 18 of the rules and procedures with respect to privilege, and I suggest the privileges of the House, which are meant to be enjoyed collectively, are being abused.

The government has decided it will blindfold the opposition parties and the public in Ontario, either those who want to see if it is worth getting more of Suncor or those few people who think it may be worth getting less of Suncor, by the decision it made that Mr. Kierans from McLeod Young Weir will make his wisdom available to members of the government party but not to members of any other party.

I draw to your attention, Mr. Speaker, the fact that the standing committee on general government has decided it will not proceed at this time to look into the acquisition of Suncor, and it will not exercise its powers to bring anybody before it. The government members are saying, in effect, "There is one law for Tory back-benchers, and there is one law for everybody else in this Legislature."

After those Conservative back-benchers on the general government committee voted to stifle the committee's inquiry into the deal, they turned around and went through the backstairs and the corridors to the government to get Mr. Kierans to come and tell them what the deal is all about, because they were getting some flak back at home from all those good Tories who cannot understand this venture into socialism.

2:10 p.m.

It reminds me of the old story about the mushrooms: they are kept in the dark and fed a diet of horse manure. It seems to me that this is exactly what is happening in this House. Some of the Conservative back-benchers are rebelling, and I would urge you, Mr. Speaker, to rule as a matter of privilege that anything that is given to the Conservative back-benchers should be made available to all members of this Legislature.

Mr. Breithaupt: Mr. Speaker, I just want to review briefly with you a quotation from the member for Simcoe Centre that appeared in the article referred to by my leader, the member for Hamilton West (Mr. Smith). He is quoted as having said: "Conservative members haven't any more information on it than the government has put on the table. They want an explanation they can take to the general public."

I can assure you that all the members of the House feel the same on that point, and I suggest that it is within your powers as Speaker to require of the Minister of Energy (Mr. Welch), who is also the Deputy Premier, just what information was made available that has not otherwise been available to the House, so we will all be able to have the information on which the government has acted and which it is prepared to share with its back-benchers.

It is most important for the privileges of all of us as members that we too have sufficient information to make an explanation to the general public in the same way as the member for Simcoe Centre has suggested to the press.

Mr. MacDonald: If I may add a few words, Mr. Speaker, it is not just the government back-benchers who want more information; it has even gotten to the cabinet. The member for Brant-Oxford-Norfolk (Mr. Nixon) and I shared a meeting with a cabinet minister a week or so ago in which he stated that he was sure there were bushel baskets of information in the office of the Minister of Energy or in the office of the Treasurer (Mr. F. S. Miller) and that back-bench members of his party wanted access to that.

Presumably they are going to get access, and I think the case that all members of the Legislature should have the same access is so self-evident that I hope you will lend your support to its fulfilment.

Hon. Mr. Welch: Mr. Speaker, the honourable members who have just spoken have quite properly laid before you this matter of the privileges of the members of the House, and certainly it is a matter you will want to take under some consideration. If I might be permitted some comments on that in an attempt to be helpful, I would like to respond.

Certainly, if the allegation of the Leader of the Opposition were correct—

Mr. Kerrio: Give us the evidence, that is how to be helpful.

Hon. Mr. Ashe: You wouldn't understand it anyway.

Mr. Speaker: Order.

Hon. Mr. Welch: If the allegation of the Leader of the Opposition were correct, that I had organized a meeting to provide members of the government caucus with information that up to that time I had deemed confidential and that I was using—indeed, quite properly—the confidential agreement, then I think he would have every right to stand in his place and do exactly what he has done, supported by the other comments that have been made.

I want to point out that I hope you, Mr. Speaker, and other members of this House will understand that, having been a member for the number of years I have, I realize that the rules governing the availability of certain information apply to all of us in this House, and I have maintained that position.

Indeed, at the request of the chief government whip, the member for Mississauga East (Mr. Gregory), who had spoken to me in connection with some of the material that had already been tabled, I thought it might be helpful on the basis of the information that has been tabled and is currently available, and public information generally, if some assistance could be provided in its interpretation.

Mr. MacDonald: Invite us all, then.

Hon. Mr. Welch: I was not sure how a technical approach like this would work, and it was important that we have this. And just in case this point escapes me in this explanation, perhaps I can respond to the interjection from the member for York South: What happened today in our caucus is available for his caucus; if he would just let me know when he would like to have it, there is no particular problem.

Mr. T. P. Reid: Now you tell us.

Hon. Mr. Welch: No. It was always the intention.

Let me tell the members opposite about the earth-shaking documents that were discussed today and made available. They were publications with respect to the Ontario Energy Corporation, the statement made to the Legislature last Tuesday evening with respect to what information was made available and a repeat of some basic facts on the Suncor deal. There it is, and I will be glad to table it. That is the information that was made available.

Mr. Cassidy: What about Tom Kierans?

Hon. Mr. Welch: Tom Kierans was not at the meeting. We will have an opportunity to discuss this prior to the orders of the day—in fact, for the balance of the afternoon.

Any suggestion that additional information,

which up to this time we have indicated was not available because of the undertaking signed under the confidentiality agreement, was discussed with any member of this Legislature is false. I stand in my place to assure members that did not happen.

I would be very surprised in the conduct of any party caucus that there are not opportunities to provide all sorts of information to people. Caucuses are structured in different ways. This happens to be a caucus that is very keen and very anxious to have—

Interjections.

Hon. Mr. Welch: It might explain why there are so many of them and so few members of the other caucuses.

Mr. Nixon: They are ready to vote against you.

Mr. Speaker: Order.

Hon. Mr. Welch: We then provided some panelists, who on the basis of the information that is tabled—and it is not just the letters. The honourable member made reference to a couple of letters; as the member knows, they were tabled in response to questions placed on the Order Paper. Those answers were given. We discussed the compendium. We discussed the material that was filed following the statement, all of the material that was there, and simply asked people to direct questions with respect to the understanding of this information.

As you reflect upon the very serious matters that were suggested here, Mr. Speaker, if it would be helpful, I am sure the Ontario Energy Corporation, in consultation with the other whips, would be quite prepared to provide that type of service so that everyone might better understand these materials that had been made public as a follow-up to the statement made by the Premier (Mr. Davis) in this place on October 13. Not all of us are skilled in understanding financial reports and all of that kind of detail, and I felt that exchange was helpful. I am prepared to make that information available to other members of the House as well.

Mr. Cassidy: Mr. Speaker, I am disturbed to learn the Minister of Energy provided panelists to the Conservative caucus. I do not know who they were; I guess they were people from the Ontario Energy Corporation or from his ministry or some other place. Mr. Kierans did not

happen to come this time, but they put up some substitutes, some designated hitters to come in, to provide that kind of information.

Hon. Mr. Welch: Would you like to meet them?

Mr. Cassidy: I would like to know who they are. Perhaps the minister can say who they are.

Hon. Mr. Welch: I asked whether you would like to meet them.

Mr. Cassidy: Of course I would.

What I want to say, though, is that I think the procedure which the minister outlined is not a good one. He is saying that in the privacy of the Conservative caucus something went on, one knows not what.

Mr. Foulds: The imagination boggles.

Mr. Cassidy: That is right. He says that no confidential information was divulged, that it simply was a matter of explaining what was in the compendium. The compendium was so sketchy that I can imagine the discussion. The minister probably got up and said: "Look, you dummies, here is what it says. Can't you read? That is all you are going to get."

Mr. Speaker, in exercising your rights over the privileges of this House, I urge you to suggest to the government that rather than getting this information behind closed doors, their representatives on the general government committee should have agreed, as we suggested and as I moved, that once the estimates of the Ministry of Municipal Affairs and Housing were over, this matter of the Suncor purchase should come before a public committee where representatives of all three parties could put their questions and where the press and the public could attend to hear and record the answers to those questions.

2:20 p.m.

If the government is not prepared to do that, Mr. Speaker, this caucus will accept the minister's offer to have representatives of the Ontario Energy Corporation, Mr. Kierans and so on come before our caucus—only we will hold those sessions and have that question and answer period in public, and we will make sure the public and the press are able at least to participate in that question and answer period.

Mr. T. P. Reid: Mr. Speaker, I wish to make two points very briefly in terms of the privileges of members.

The government has embarked on spending \$650 million without any reference to the Legislature. It has signed a memorandum of

agreement, and it is prepared to go ahead with this. This strikes at the fundamental aspect of public control over the purse and the ability that goes back for centuries for control of the executive by the Legislature in terms of spending. That is the first privilege, and I just want to remind you of it. I know you are aware of it.

I also draw your attention to the fact that in Ontario the Ontario Securities Commission has a great list of rules and regulations, some of which I understand the minister has tried to do away with, that relate to disclosure. If there is any large sale of shares of one company to anybody else in Ontario, there are disclosure rules that must be followed, and minority shareholders must be apprised of the information relating to any sale of shares by a company. I suggest to you that the opposition in this case is representing the interests of the minority shareholders in Ontario and we, on their behalf, have a right to that information.

Mr. Rotenberg: Mr. Speaker, the thrust of part of what the opposition has raised in this point of privilege—

Mr. Smith: Oh, this will help, this will help.

Mr. Speaker: Order.

Mr. MacDonald: Have you done your research well this time?

Mr. J. M. Johnson: Why don't you listen once in a while instead of always talking?

Mr. Rotenberg: Mr. Speaker, I consider this to be a serious matter. May I proceed?

Interjections.

Mr. Speaker: Order. Will the member for Wilson Heights resume his seat, please? I ask the co-operation of all members. We have listened to various members speak on the point of privilege. The member for Wilson Heights also wants to speak. I recognize the member for Wilson Heights.

Mr. Rotenberg: Thank you, Mr. Speaker. Part of the thrust of the opposition's point of privilege today is asking, in effect, to reveal to them or to the House what went on at a caucus meeting of one party in this House. In considering your ruling, may I ask you to consider whether you have any jurisdiction over what goes on in a government caucus—

Mr. Cassidy: Don't be so stupid.

Interjections.

Mr. Speaker: Order.

Mr. Rotenberg: —and whether you have

within your jurisdiction the right to ask any caucus in this House to reveal in public what went on in their meetings.

Mr. Speaker: I shall take under consideration the point of privilege raised by the Leader of the Opposition. I have no idea what information was made available, of course, but I have heard the Deputy Premier assure the House that nothing more than was made public was discussed. I will confirm that.

Mr. Smith: We did not have access to panelists.

Mr. Cassidy: On a point of privilege, Mr. Speaker: Is that your ruling, that you are going to simply ignore everything that has been said here by the Leader of the Opposition and myself?

Mr. Rotenberg: He said he would take it under advisement. Why don't you listen?

Mr. Speaker: Order.

Mr. Cassidy: You don't see any matter of privilege there at all? Will you not at least come back —

Mr. Speaker: You obviously were not listening.

VISITOR

Mr. Speaker: I ask all the members of this assembly to join me in welcoming and recognizing, in the Speaker's gallery, Mr. Elie Fallu, member of the Quebec National Assembly and parliamentary chargé de mission for North and South America for the International Association of French-speaking Parliamentarians.

Mr. Boudria: M. le président, je voudrais seulement prendre quelques instants pour vous joindre en souhaitant la bienvenue à l'honorable député de Groulx, M. Elie Fallu, député de l'Assemblée nationale du Québec. Comme on le sait, M. Fallu est chargé de mission pour les Amériques au sein de l'AIPLF et nous avons ce matin rencontré M. Fallu en vertu de joindre l'Association internationale des parlementaires de langue française.

Egalement avec M. Fallu est son adjoint, Mme Maité Jay-Rayon, et il me fait plaisir de l'accueillir. Je voudrais souligner qu'on va avoir l'occasion de les revoir à l'assemblée de Dakar qui aura lieu en janvier 1982.

Hon. Mr. Baetz: M. le président, j'aimerais simplement ajouter quelques mots à votre allocution, au nom de tous les députés de l'Assemblée législative. Nous sommes très honorés d'avoir parmi nous aujourd'hui l'honorable député

de Terrebonne, M. Elie Fallu. M. Fallu est hautement respecté pour sa contribution dans l'association comme chargé de mission pour l'Amérique du Nord et du Sud.

Je suis persuadé que sa présence spéciale dans la section ontarienne aujourd'hui aura inspiré ses membres dans leur effort pour remplir leur mandat très spécial.

Mr. Cassidy: M. le président, j'aimerais à mon tour accueillir M. Fallu à l'occasion de sa visite ici en Ontario, une visite qui a été très fructueuse.

Ce matin, l'Association internationale des parlementaires de langue française, section de l'Ontario, a été acceptée, je crois, par M. Fallu qui a pris la responsabilité de nous promettre de promouvoir l'adhésion de l'Ontario à l'association sur le plan international.

J'aimerais dire à M. Fallu, et à tous ses collègues de l'Assemblée nationale du Québec, que nous souhaitons de plus en plus de visites et d'échanges avec les députés de l'Assemblée nationale du Québec. Je crois que ce moyen de communication et de coopération sera très fructueux, non simplement pour les parlementaires de langue française mais pour toute la province.

LEGISLATIVE PAGES

Mr. Speaker: This is the last day for the current group of pages. In recognition of the fine service they have rendered to all members in this House, I wish to take this opportunity to read their names into the record as we have done in the past.

Linda Blahey, Nipissing; Sean Blenkinsop, Sudbury; Edward Bonner, Brampton; Ian Borden, Parry Sound; Emilia De Bellis, Oakwood; Tara Fidler, London North; Lesleyann Howard, Don Mills; Mohammed Khan, Scarborough Centre; Anthony Leardi, Essex South; Kristin McGill, Dufferin-Simcoe; Janet Ozembloski, Lakeshore; Cathryn Paul, York West; Nicholas Perkins, Algoma-Manitoulin; David Pluscauskas, York East; Rebecca Read, Mississauga South; Katherine Rickard, Prince Edward-Lennox; Steven Tschanz, Haldimand-Norfolk; Jacqueline Van de Ven, Durham East; Sarah Verage, Scarborough West; Richard Warman, Simcoe Centre; Robert Webb, Brantford; Tobin Young, Oakville.

I ask all members to join with me in expressing thanks to these young people.

STATEMENTS BY THE MINISTRY ORGANIZED CRIME INFORMER

Hon. Mr. McMurtry: Mr. Speaker, I wish to

make a statement with reference to an article in the *Globe and Mail* this morning concerning one Cecil Kirby. Cecil Kirby is a man with a criminal background who was a former enforcer for organized crime in Ontario.

2:30 p.m.

In late 1980, Mr. Kirby approached a member of the Royal Canadian Mounted Police and offered to provide information concerning organized crime in this province as well as information with respect to several unsolved crimes. As a result of this approach, senior officers of the Metropolitan Toronto Police and the RCMP met with senior crown law officers from the Ministry of the Attorney General. At those meetings, my crown law officers were advised of Kirby's offer to provide this information if he received an undertaking that he would not be prosecuted in the province for offences he had committed, which he fully and truthfully disclosed to the police.

During this period of time, Kirby was approached by an organized crime family to murder an American woman. Kirby was willing to act as a police operative to gather evidence of this contract-killing conspiracy. My crown law officers, after discussing the matter with me, decided with my full concurrence that an undertaking not to prosecute was in the best interests of the administration of justice for the following reasons:

First, apart from evidence supplied by Kirby himself, which is not admissible against him, there was absolutely no other evidence whatsoever to connect Kirby to the crimes he committed. In fact, there was no evidence whatsoever leading to any suspect for these offences. They had been fully investigated at the time they were committed and put on hold because there was no evidence against anyone. The fatal explosion case referred to in the *Globe and Mail* took place more than four years ago. Not only was there no independent evidence connecting Mr. Kirby to the crime but also there was no likelihood at all that any would be forthcoming.

Second, with respect to all the offences, Kirby was acting as an enforcer for organized crime. Kirby was prepared to discuss fully everything he knew about who hired him and why and to testify at any criminal proceedings arising out of his disclosures. All Mr. Kirby's revelations either have been investigated or are being thoroughly investigated at this very moment. Accordingly, it would be inappropriate for me to comment on this aspect any further.

Third, organized crime presents a most serious challenge, of course, to law enforcement agencies. Until the revelations of Kirby, we had been frustrated to a very large extent in obtaining evidence to prosecute its leaders for a large number of serious offences covering a very broad range of criminal activities. Kirby represented the first real breakthrough in penetrating the conspiracy of silence that shrouds organized criminal activities.

For the next four months Kirby, at great risk to himself, continued to meet with the heads of Toronto and New England organized crime families. He wore a body-pack tape recorder at all meetings held in Canada. In addition to the conspiracy to kill the American woman, Kirby also pretended to agree to the contracts offered to him by organized crime to kill two Toronto men and to beat up another. All the instructions given to him by the members of organized crime were taped and as a result six men, including two in the United States, were charged with counselling murder and conspiracy to commit murder.

On August 21, Cosimo Commisso pled guilty to three counts of conspiracy to commit murder and one count of conspiracy to commit assault causing bodily harm. He was sentenced to three concurrent eight-year terms of imprisonment on the latter charges. These terms of imprisonment were made consecutive to a four-year term for which he was then under sentence. His brother, Remo Commisso, pled guilty to two counts of conspiracy to commit murder and was sentenced to eight years concurrent on each charge. His younger brother, Michele Commisso, pled guilty to three counts of conspiracy to commit murder and was sentenced to two and a half years on each charge concurrent. Rocco Romeo, a minor conspirator with the Commissos, pled guilty to one count of conspiracy to commit murder and was sentenced to two and a half years' imprisonment.

On October 6, 1981, Jerry Russo, who was involved in the plot to kill the woman and who had been ordered extradited from Connecticut, pled guilty to one count of conspiracy to commit murder and was sentenced to 34 months' imprisonment.

The remaining accused in this matter has been ordered extradited from Connecticut but has appealed to the Eastern Circuit Court of Appeal, which has reserved its decision. If he should lose his appeal he will be prosecuted in Ontario and Cecil Kirby will be the main witness

in his trial. As this matter is before the court it would be inappropriate for me to comment any further on it.

There are several matters in this morning's article that I would like to comment upon but, because of ongoing investigations and prosecutions, I am unable to do so at this time. However, I would like to set one matter straight. While it is true Mr. Kirby has received an undertaking that he will not be prosecuted for any past conduct, which I have mentioned, he will be treated like any other person in so far as his activities since last fall are concerned.

All the matters raised in this morning's article have been thoroughly investigated by the local police agencies involved. Mr. Kirby has already been charged with a firearms offence that is alleged to have taken place last month.

In conclusion, given the circumstances of this matter the granting of an undertaking not to prosecute for past offences was—I repeat—made in the best interests of the administration of justice. Kirby has not been given immunity in the sense that he is free to commit offences without fear of prosecution. The undertaking not to prosecute was limited to past crimes in respect of which there was no evidence against Kirby save that which he himself provided in a manner which made that evidence inadmissible against him. That is not immunity in the sense the *Globe and Mail* would have us believe.

Mr. Kirby is being maintained at public expense; he and his family are being protected at public expense. This is necessary by virtue of the serious risk he took in assisting the public against organized crime and the menace it presents to all of us. The *Globe and Mail* reporter who wrote this morning's article was fully aware of the circumstances of this matter, which involve not only ongoing investigations and prosecutions but also the safety of Kirby and his family as well as others close to him. I very much regret that in the face of this knowledge the *Globe and Mail* chose to print the article at this time. I hope the article has not jeopardized either the ongoing investigations and prosecutions or the safety of any individual involved.

In conclusion, I want to make it very clear that the giving of an undertaking not to prosecute is a discretion exercised extremely rarely. It is one that must be used with great caution and only after a careful review of all the circumstances. In this case I am satisfied that the undertaking would not have been given if it had not been clearly in the public interest.

ORAL QUESTIONS

ONTARIO ENERGY INVESTMENT

Mr. Smith: I have a question for the Minister of Energy, Mr. Speaker. Would the minister tell us the names, occupations and employers of the panelists he had in to brief his fellow Conservatives at caucus today?

The information he has already presented us is really self-evident and requires no explanation, provided people know how to read. We found nothing in this information to indicate the basis for the government's contention that it expects 15 per cent return on the investment, nothing to explain how the government intends to finance the second \$325 million to buy it and nothing as to why the government preferred this investment to other possible investments within the province. In light of this, can the minister tell us whether his back-benchers now have answers to those three questions? And if they do, could the minister share those answers with us?

Hon. Mr. Welch: Mr. Speaker, the panelists who were kind enough to come along and assist in the interpretation of some of this material were Mr. Don Carmichael, vice-president of McLeod Young Weir; Mr. Eric Schwitzer, vice-president of McLeod Young Weir; Mr. Robert Brown, a partner in Price Waterhouse Limited; Mr. Lorie Waisberg of Goodman and Goodman; Mr. Peter Lamb, special consultant to the Ontario Energy Corporation; and Mr. Malcolm Rowan, president of the Ontario Energy Corporation.

My colleagues received answers to all the questions they asked, and if any questions infringed on confidentiality they were told they could not answer those.

Mr. Smith: Supplementary, Mr. Speaker: These people did nothing other than explain what should have been self-evident anyway and added nothing. In the information we have seen so far there is no basis for the 15 per cent yield prediction; no firm basis, apparently, for a decision on the financing of this purchase, and nothing to indicate why this is thought to be a more prudent investment than others that might have been made in Ontario. Can the minister tell us whether his back-benchers now have answers to those questions or not? Do they now know the basis for the 15 per cent prediction? Do they know how the minister is going to finance the additional \$325 million? And do they know why he has chosen this deal rather than invest in Ontario enterprises?

Hon. Mr. Welch: Mr. Speaker, without commenting on what I would consider to be the provocative assumptions in that question, I repeat that these people to whom I have made reference answered the questions that were directed to them. I think it is a bit much to question whether or not I am entitled to have an opinion as to whether or not the answer to any question satisfied any particular questioner.

2:40 p.m.

Mr. Cassidy: Supplementary, Mr. Speaker: The minister has given Conservative backbenchers the opportunity to question senior officials of McLeod Young Weir, Price Waterhouse and the energy corporation surrounding the facts and figures related to the Suncor deal, but these Conservative caucus members were unwilling to give the general government committee the opportunity to question these officials. Will the minister now agree to expeditiously allow the general government committee to hold hearings and call these and possibly other officials of those two consulting groups and government officials in order that the Legislature can have a chance to be informed as a group about the Suncor deal? If not, will the minister guarantee that these officials and others that we require will be made available when the NDP holds its public hearings, beginning next week, on this arrangement?

Hon. Mr. Welch: Mr. Speaker, there is a feeling here that committees are in charge of their own business and—

Mr. Martel: Oh, they are?

Interjections.

Mr. Speaker: Order.

Hon. Mr. Welch: When the Leader of the Opposition introduced this matter at a meeting of the general government committee it was my understanding—I was not there so this is all secondhand—that having been charged with some responsibility to get on with estimates, they felt the question was not that the matter should not be dealt with by the committee but that it be referred to the House leaders from the standpoint of timetable. They have received a certain schedule and timetable and, for whatever reasons, they thought it should be sent back to the House leaders.

On the basis of some comments made by the Leader of the Opposition, I understand the House leaders dealt with it today and that they are sending it back to the committee. Perhaps that is where we should leave it and have the committee decide how and whether they are

going to handle this matter. But to suggest, even in a quiet way, that we are attempting to suppress any information is just unreasonable under the circumstances.

Interjections.

Mr. Smith: Supplementary: This is the very minister who recommended introducing closure into this House. Why would he be willing to offer these half a dozen or so experts to meet for disclosure in the Tory caucus and recommend only closure for the opposition?

Why were we not offered, either in committee or by way of some kind of arrangements by the House leaders, further explanation of the material upon which the government allegedly based its decision? Surely either the Tory members now have some idea of why this decision was made, something they themselves did not have before, and none of us can understand. If they were given information, why were we not offered access to the same experts instead of closure being imposed on the Legislature?

Hon. Mr. Welch: As I indicated when I had the opportunity to respond to the point of privilege raised by the Leader of the Opposition, mine was in response to requests that I had received from our government whip and the chairman of the caucus with respect to this matter.

I remind the House, as I did the member for St. Catharines (Mr. Bradley), that other than a question to file a couple of letters and whose fees were paid, I do not recall a specific question put on the Order Paper about this transaction in an attempt to understand the material.

Mr. Smith: I asked the minister the basis of the 15 per cent. I have asked him repeatedly the basis of the 15 per cent. How is he going to pay them? I have asked the minister repeatedly the basis of that deal.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Welch: As far as I am concerned, I stand in this place repeating that if the Leader of the Opposition and his colleagues would find a session with these technical people helpful to understand the material which is already filed, I would be glad to make the arrangements.

ACID RAIN

Mr. Smith: Mr. Speaker, I have a question for the Minister of the Environment. With regard to the matter of the deal between Ontario Hydro and General Public Utilities, owner of the

ill-fated Three Mile Island nuclear station, to export 1,000 megawatts of firm power via cable under Lake Erie, does the minister not recognize the serious impact this is going to have on the acid rain debate now going on between the United States and Canada?

Is the minister not aware how this will look to the Americans? Ontario would be saying to them they must clean up their coal stations and curtail their emissions while we contract with them to provide electricity for their market utilizing our own coal-fired stations for the bulk of the electricity, with scrubbers on virtually none of the units that will be providing that electricity?

Given the obvious hypocrisy involved in that kind of arrangement, is the Minister of the Environment not concerned that his number one problem, acid rain, is going to be a bigger problem after this deal goes through? This is particularly so since 80,000 short tons of sulphur dioxide emissions per year will occur as a consequence of this electricity being generated here.

Hon. Mr. Norton: Mr. Speaker, I have no doubt that perception may be raised by some individuals. I am confident, however, those individuals who are prepared to look at the facts and understand what may be implied if such an agreement is reached by Ontario Hydro would be satisfied that ought not be a matter of serious concern.

The assumption that Ontario Hydro's export of electricity, if and when such an agreement is reached, would be primarily from fossil-fuel-fired stations is not necessarily correct at all. It is my understanding it would come from the Ontario grid and may well come from any of the stations in that grid. During the period for which such an agreement is being contemplated it is anticipated Ontario Hydro will have an excess.

There is another thing it is important to bear in mind in terms of any discussions with the Americans on the matter of acid precipitation and the effectiveness with which we are approaching reductions in this province. It has been clear from the very inception of the regulations introduced during the tenure of my predecessor that regardless of any demand for increased production, if that is the area of concern upon which the member is focusing, Ontario Hydro must meet the reduced emission targets that have been set out. Over the period of this decade Ontario Hydro will have to reduce by a little less than 50 per cent the volume of emissions from its coal-fired plants regardless of what the demand for energy may be.

Some Americans, particularly the power interests in the United States, have said perhaps there is a conspiracy just so we can export energy to the United States. All I can say to Americans who may raise this as a concern is that is clearly not the case. I would say in response, if they are prepared to be as indifferent to the problem as we are and commit themselves to a 50 per cent reduction over the next decade, I would welcome that indifference.

Mr. Smith: Would the minister not agree with my colleague, the member for Niagara Falls (Mr. Kerrio), that if one does not scrub, this will not wash? The minister is now saying the limits being placed on Ontario Hydro, belatedly and towards the end of the decade, will still have to be met. Is the minister aware what a control order is? Does he recognize a control order is simply a maximum and that the desirable thing to do is to reduce pollution as far below that maximum as possible? Why does he regard it as a floor, as a sort of target to be reached?

2:50 p.m.

There is no requirement that so much pollution be put into the air. The idea is that should be the maximum—and it is not a very good maximum at that. If we can do without generating that electricity by coal there will be less pollution in the air, whatever the control order says. If the government was not going to sell that electricity would the minister agree there would not be the acid gas emission?

How are we going to explain to the Americans why they are supposed to scrub their coal stations when we will sell them electricity using unscrubbed stations burning the same kind of coal?

Hon. Mr. Norton: Mr. Speaker, that last question is based on the same erroneous assumptions implicit in the first question—that all—or a substantial part or most or whatever the member's assumptions may be—of that energy is going to come from fossil-fuel-fired plants. My understanding now is that it will be coming from the grid. Presumably some might come from that. It may also significantly come from, for example, nuclear or hydro power. The member must first get a sound foundation for his assumptions before he asks me to answer questions.

Mr. Cassidy: Supplementary, Mr. Speaker: The National Energy Board's hearings are not focused on the environmental question but on the availability of energy and whether it is

required in this country or can be safely exported without detracting from our needs. Does the minister recall the promise he made on June 26, 1981—before the summer recess—when he replied to the request we made for environmental assessment into the proposed underwater power line, “My position certainly has not changed from that of my predecessor”?

Is he not aware his predecessor had promised if the project was undertaken to run a cable under Lake Erie there would occur a full environmental assessment under the Environmental Assessment Act? Is that still the promise of the government or is the minister taking this project to the cabinet in order to seek an exemption, as he has done on so many other Ontario Hydro projects?

Hon. Mr. Norton: Mr. Speaker, my position remains the same as it has been. I indicated yesterday to some members of the press, and perhaps other media, when I was asked following the questions directed to the Minister of Energy (Mr. Welch)—in my usual practice of being open and candid and sharing information with the people who ask me questions—that there was one relatively new wrinkle that had led to some examination of opinions on my part. That relates to the—

Mr. Cassidy: You are breaking your promise.

Hon. Mr. Norton: Those members over there are like a bunch of chihuahuas. I say something and they start nipping, nipping, nipping. Let me finish.

Interjections.

Hon. Mr. Norton: That is all right. My sister has a chihuahua. I am accustomed to their mentality.

Mr. Speaker: Will the minister address himself to the question please.

Hon. Mr. Norton: I will not insult my sister's dog, Mr. Speaker.

The point I am attempting to make to the honourable members, if they are interested in listening, is there has been raised through three separate legal opinions—an independent one from outside government, and two independent ones from law officers of the crown—relating to the constitutional issue of primacy, and whether or not in this instance the Ontario legislation does apply. It is not a question about exemptions—

Mr. Cassidy: Have you got any control over Hydro or haven't you?

Hon. Mr. Norton: I wish the member would calm down.

Interjections.

Mr. Speaker: Order.

Mr. Smith: You're rolling over and playing dead.

Hon. Mr. Norton: I am not. I am not going to roll over and play dead to that member either. If he would listen—does he want to hear the rest of the answer?

Mr. Cassidy: Come on, yes or no; are you keeping the promise?

Mr. Speaker: Order.

Hon. Mr. Norton: I really do believe it would be to the member's advantage to take a sedative before he enters the House, so he could hear complete answers to his questions from time to time. Does he want to hear the answer to that question? Perhaps he and his colleague at the other end of the bench could calm down for a moment, and I would be prepared to answer it. Thanks very much.

The fact is that until I have an opportunity to fully review the legal opinions I am aware of with advisers and discuss their implications with my colleagues, I really cannot say with absolute certainty. I can reiterate that my position is unchanged. What the member does when he takes this approach when I share information like this generously with him, is that he immediately assumes I ought to be in a position to jump to a snap decision. We over here take a very serious view of the decision-making process, for which we bear responsibility.

I can assure the member I will fully discharge my responsibility as Minister of the Environment in terms of taking every possible and reasonable step to protect the environment. As to his specific question, my position remains unchanged. Whether the mechanics may vary by virtue of working towards a joint hearing process or some other process with the National Energy Board, I am not prepared to answer right now because of the new wrinkle that has entered the consideration.

Mr. Smith: Final supplementary, Mr. Speaker: Is the minister aware the emissions allowed to Hydro under its control order would mean that fully 27.9 per cent of Hydro's SO₂ emissions will be due to this purchase of power by General Public Utilities by 1990? Is the minister, under those circumstances, aware of the importance for his acid rain program? Is he particularly aware of the fact that he keeps saying it might not all be generated from coal? Is he not aware that Mr. McClymont and Mr. Niitenberg of Hydro have both told us it will be entirely from coal stations.

Surely, as Minister of the Environment, he ought to know that by now. But if he is right and some of it is going to be fixed power generated

by nuclear fission, will the minister tell us whether the recipient of that clean power is going to take responsibility for the nuclear waste that is created by the generation of that power?

Hon. Mr. Norton: Mr. Speaker, I am sure the honourable member knows where the responsibility for nuclear waste lies in the jurisdictions within this country.

ORGANIZED CRIME INFORMER

Mr. Cassidy: Mr. Speaker, I have a question for the Attorney General, arising out of his statement to the House on the immunity from prosecution of Cecil Murray Kirby, the man responsible for the explosion that caused the death of a Chinese restaurant worker three or four years ago. The statement by the minister is that Mr. Kirby received an undertaking not to be prosecuted for any past conduct, but that he would be treated like any other person in so far as activities since last fall are concerned.

Can the minister explain how it is that in June of this year Mr. Kirby was put on two years' probation because of unrelated offences? A month later, police officers were apparently accomplices to incidents in a hotel where Mr. Kirby is alleged to have seriously beaten a young woman, and then they spirited him away. Despite evidence there was certainly a *prima facie* case for an offence having occurred, which would have been a violation of probation, nothing has been done, no action has been taken.

Can the minister explain how it is that if Mr. Kirby is to be treated like any other person in so far as activities since last fall are concerned, nothing was done by the police officers who were aware of the young woman screaming, and of her condition when she emerged from the hotel room, and that the police officers acted to protect Mr. Kirby from any action by police, when it would appear he was in quite flagrant violation of his probation?

3 p.m.

Hon. Mr. McMurtry: Mr. Speaker, the suggestion contained in the *Globe and Mail* that police officers were nearby when an assault took place is, of course, a very serious allegation, and one that did not come to my attention before I read the *Globe and Mail* this morning. I am advised by my law officers the conduct of the police is being investigated very thoroughly by the Peel Regional Police and that the Royal Canadian Mounted Police are also conducting an internal investigation.

I cannot assist the leader of the New Democratic Party further in that regard except by saying I am advised in respect to the allegation of assault that the young woman herself made a very strong plea to the police that charges not be laid. I think this fact was mentioned in the *Globe and Mail* account. As a matter of fact, her lawyer did reflect on the "very helpful" and sympathetic attitude of the Peel Regional Police.

I do not know all the details, but I am advised she made a very strong request that the charge not be laid and that the Peel Regional Police, who would have to rely on her information, acceded to her request.

Mr. Cassidy: Supplementary, Mr. Speaker: My friend the member for Riverdale (Mr. Renwick), who is learned in the law, points out that that matter is irrelevant when an offence has occurred. I remind the minister of the statement by the hotel employee that when the young woman came into the lobby of the hotel after the incident she was bleeding and her face was badly bruised and swollen, and of the statement by the woman's lawyer that one of his client's teeth was knocked out and another cracked in the assault. In effect, the situation is that until this article appeared in the press today Mr. Kirby had immunity to commit mayhem and any kind of offence, and the police were simply going to turn a blind eye to it because of his co-operation with respect to the matter of organized crime. Surely that reflects a disrespect for the law.

Could the minister explain how that could occur and how it is that, apparently, police officers may even have participated in violating section 23 of the Criminal Code by spiriting Mr. Kirby away from the scene of a criminal offence?

Hon. Mr. McMurtry: Mr. Speaker, I will repeat what I said earlier. That aspect of the matter is under investigation at the present time. I first learned of it this morning, and when I have the results of the investigation I will advise the House accordingly.

Mr. Worton: Supplementary, Mr. Speaker: When the minister and his officials made the decision to grant Mr. Kirby immunity from the charges of bombing that restaurant did they take into consideration the people in business? In fact, one firm in Guelph lost \$100,000 in equipment, and the insurance companies would not pay it because it was a questionable incident; they were not sure whether it had been bombed or not.

Were those things taken into consideration when the minister made his decision to grant immunity to this fellow who was running roughshod over people?

Hon. Mr. McMurtry: Mr. Speaker, I will repeat again what I said in the statement. The bombing incident, which occurred in the spring of 1977, I believe, had been thoroughly investigated. Regrettably, the police had absolutely no leads whatsoever. As a matter of fact, the suspicions they had, I am advised, actually led in quite different directions with respect to that. The only evidence that was available and that the police thought or would advise us they could ever expect to come to their attention was Mr. Kirby's admission of this very serious offence, and that admission would not be admissible against him in court.

In respect to granting him immunity, it was an undertaking not to prosecute. As of this date, the police have no evidence on which they could prosecute Mr. Kirby because, after a careful review of a number of circumstances, the statement given by Mr. Kirby to the police was given in circumstances that would make it inadmissible in court. The simple fact is that notwithstanding Mr. Kirby's admission, which stands by itself, there is no evidence upon which a prosecution could be launched.

As I tried to emphasize in my statement, the decision to give any undertaking not to prosecute is, of course, something that is done extremely rarely. In this particular case, it was not done lightly. It was not done until three police forces—senior officers of the Royal Canadian Mounted Police, the Metropolitan Toronto Police and the Ontario Provincial Police, I believe—together with senior law officers of the Ministry of the Attorney General, reviewed the matter with extreme care before coming to that conclusion.

As I attempted to emphasize earlier this afternoon, the decision was based on what was in the best interests of the public. In this case, notwithstanding his admission, the police do not have any evidence, even at this date, which could be the basis for a successful prosecution, because of our rules of evidence. Because of the circumstances under which that statement was made, the court would rule it inadmissible. That was the state of the situation. What has to be recognized is that the decision—

Mr. Cassidy: The Attorney General criticized the *Globe and Mail*, but he did not know what was happening and he was not acting until the *Globe and Mail* had that story.

Hon. Mr. McMurtry: I think the wisdom of the recommendation made to me has been borne out by the successful investigations that have been made since that time, and by the fact a number of people have already been successfully prosecuted. I think the police have demonstrated that in this situation they acted prudently, wisely and in the public interest.

Mr. Renwick: A supplementary question, Mr. Speaker: Will the Attorney General clarify for the assembly the nature of the undertaking given to Mr. Kirby? Is he telling the assembly the undertaking was a general, unlimited, open-ended undertaking not to prosecute Mr. Kirby for any offences preceding that date, or was it limited to specific matters disclosed to the police by Mr. Kirby about his conduct in the past?

Hon. Mr. McMurtry: Mr. Speaker, my understanding of the undertaking is the latter, that it was only in respect to information provided by Mr. Kirby to the police about which the police did not have any independent information with which to prosecute Mr. Kirby. That is my understanding of the undertaking.

GREENACRES HOME FOR THE AGED

Mr. Cassidy: Mr. Speaker, I have a question for the Minister of Community and Social Services with respect to the very serious situation at the Greenacres Home for the Aged institution in Newmarket, which has now been documented both in a report by the union of the workers involved there and in a report that has now been submitted to the council and to the community services department of Metropolitan Toronto.

The basic needs of the 557 residents are not being met because of inadequate supplies, equipment and staff. Is the government aware, for example, that there are no, or virtually no, facecloths, that some beds have no blankets at all, that there is inadequate clothing to cover the residents, and that the staff is being told to break wooden tongue depressors in half because there are not enough to go around? Is the minister aware that, according to the Metro report, there are only two bathtubs and four toilets to serve 80 residents on the first floor of the facilities, many of whom are either confused or incontinent? That is the situation there.

My question to the minister is, what action does the government intend to take and will he guarantee immediate funding to Metro for

Greenacres to relieve the crisis, which now jeopardizes the health and welfare of residents and staff.

3:10 p.m.

Hon. Mr. Drea: Mr. Speaker, in terms of the funding, obviously the leader of the third party does not understand the financial budgeting arrangements. We are always liable. There is no ceiling on any deficit that has been incurred in the course of operation of a municipal home for the aged.

I would point out to the leader that there has been no request from Metropolitan Toronto in 1981 for additional funding in regard to Greenacres Home for the Aged. It is my understanding that there are two investigation documents. One was compiled by the union and has been challenged by Metropolitan Toronto. It is my understanding that this morning there was a document prepared by Metropolitan Toronto concerning Greenacres. The basis of the document compiled by Metropolitan Toronto was the approaches they would take to this ministry.

The ministry has been aware of various investigations or various inquiries into the Greenacres situation. Indeed, the consultant to the ministry has been involved with Metropolitan Toronto in taking a look at that particular home for the aged. It is also well known—maybe not yet but it will be some time this afternoon—that I spoke to my good friend, Alderman Chong this morning and I have spoken to my good friend the Metro chairman. They know that I am very sympathetic, in terms of funding, to whatever the particular difficulty is at Greenacres.

Mr. Cassidy: Supplementary: It may come as news to the Metro people that they can spend anything they want and then get a blank cheque from the province to make it up. Could the minister explain why it is that Greenacres, in fact, according to this report, has not yet had its 1981 budget approved by the province? It is pretty hard to ask for extra funding if one does not even have the regular funding for 1981 approved.

Today is November 12; that is some seven or eight months into the fiscal year—or even 11 months, depending on when their fiscal year begins. Why is it that they have, in fact, been kept without approval until now? How can they get the extra facilities they need if, in fact, they have not even had approval of their regular budget? Why is the province trying to treat

Greenacres like any other home for the aged in the province, when in fact it has 10 times the number of people requiring special care of any other home for the aged in Ontario?

Hon. Mr. Drea: Mr. Speaker, first of all the province is not treating Greenacres like any other home for the aged and the honourable member knows that. If we are, then why did we give increases particularly designated to meet its needs in 1980?

I suppose one of the particular peculiarities or differences with Greenacres is that Greenacres, in the Metropolitan Toronto system of homes for the aged, is not like others. Instead of a mix of patients, as is the norm in municipal homes and in charitable homes for the aged, Greenacres has become a centre for the more difficult cases from the entire Metro system. We have been looking with Metro, as I pointed out before, to try to see whether we can be of assistance in the light of Greenacres taking the more difficult cases from the system—

Mr. Cassidy: No.

Hon. Mr. Drea: Don't shake your head at me because you know it is true.

Mr. Cassidy: It has been there for 25 years and you woke up to the problem yesterday.

Hon. Mr. Drea: Mr. Speaker, we have been addressing it for many years. The simple fact of the matter, in terms of their budget not yet being approved, is that it is obviously not the normal budget for a home for the aged.

Interjections.

Hon. Mr. Drea: I can't hear you.

Mr. Speaker: Order.

Hon. Mr. Drea: Mr. Speaker, I assure the House that I, the Minister of Health (Mr. Timbrell), and indeed the Metropolitan Toronto social services committee are doing two things: One, we will obviously meet whatever inadequacies there are in funding based upon the accepted formula. The member knows what the formula is. If he does not, he can turn to his successor, the honourable member for Scarborough West (Mr. R. F. Johnston); it was explained to him the other day in great detail. No reasonable request by Metropolitan Toronto will not promptly be met, provided it is within the formula.

Mr. Smith: Supplementary, Mr. Speaker: Would the minister not agree that, due to the lack of nursing home beds and the lack of chronic beds in the Metro area, Greenacres has

become de facto a nursing home, with 90 per cent of its residents requiring extended care and special facilities of this kind?

In these circumstances, since the government's ill-thought-out freeze on nursing home beds over the last few years has led us into a situation where a place that is supposed to be a home for the aged, giving residential care, has in fact become essentially a nursing home, would the minister not agree that a place of this kind should come under standards that are similar, at least, to those minimal standards that apply to nursing homes?

Would the minister, therefore, undertake to make sure that an institution with such a high proportion of its residents receiving extended care coverage meets standards similar to those that apply to nursing homes?

Hon. Mr. Drea: I think I understand what the Leader of the Opposition means. I do not want to get into a debate on semantics about nursing home standards and so forth.

The particular home for the aged is far more than a nursing situation; it involves rather substantial amounts of care, and one reason is, it is the only institution within the Metro system of homes for the aged that specializes in those cases. No matter what else is done, that particular situation is going to be there.

In terms of the short-term needs, there is no question that is entirely within the purview of my own ministry and Metropolitan Toronto. However, the leader makes an extremely good point about the long-range future. In consultation with my colleague the Minister of Health and with some people at Metropolitan Toronto, I suggested certain initiatives today. If those initiatives are responded to on the long-range basis, we will be very glad to share them with the House.

Mr. R. F. Johnston: Supplementary, Mr. Speaker: Does the minister not understand that, with the homes for the aged not having physical standards in comparison with nursing homes, Greenacres has each nursing station looking after 20 to 40 more beds than are the standards in Ontario nursing homes at the moment? It has half the number of tubs that nursing homes require under present legislation under the Ministry of Health. Ventilation, staff facilities and dining facilities are inadequate in comparison with the standards that are there for the Ministry of Health.

We have been hearing horror stories for the last number of years about nursing homes. We are now hearing them about this particular

home. Is it not time that the minister got together with the other minister to undertake a major investigation of the standards and quality of care in nursing homes and in homes for the aged around this province, so that we will all know what is going on?

Hon. Mr. Drea: That same question was asked by the same person about a week or so ago in the estimates. My answer is the same today as it was then. But I want to make it quite clear that, while there may be a controversy about the Greenacres home, I am in a position—and I am sure my friend the chairman of Metropolitan Toronto would echo it—to say that the people in there are getting an exceedingly high degree of care.

Mr. Cassidy: Read the report.

Hon. Mr. Drea: There are a number of reports; the leader of the third party keeps raising one up.

Mr. Cassidy: This is the Krueger report and it is devastating.

Mr. Speaker: Order. The minister is responding to the member for Scarborough West.

Mr. Foulds: Not very well.

3:20 p.m.

Hon. Mr. Drea: Oh, exceedingly well. Mr. Speaker, just to come back to the Greenacres home and to put it into perspective when words such as "horror stories" are used: There may be controversy about certain standards in the home, there may be controversy about the equipment in Greenacres, there may be controversy about the level of staffing, but I say straightforwardly to the member for Scarborough West that the use of the words "horror stories" is not justified by any single fact.

CANADIAN ADMIRAL

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. The minister will be aware of the \$25-million rape of Canadian Admiral, the subsequent run-up in debt and the subsequent call by the banks that drove that company into bankruptcy. In answering a question the other day, the Minister of Industry and Tourism (Mr. Grossman) said he was looking for heroes, not for villains. The job of the Minister of Consumer and Commercial Relations, of course, is to look for villains in this piece.

What steps has the minister taken to investigate this matter, either through the Ontario Securities Commission or any other agencies he

has at his disposal to look at this situation, to see whether there are any fraudulent preferences of any type and to make sure it will never happen again?

Hon. Mr. Walker: Mr. Speaker, I would say that obviously—and it is not transmitted in the honourable member's question—there is no doubt on this side of the House that there is a great deal of concern and a great deal of sympathy for the state that some individuals at the moment find themselves in. The Minister of Industry and Tourism is doing as much as he possibly can to help find, as the member says, “the heroes”—which is an earlier quote of his—and see whether it is possible to find a successor in this whole process.

In terms of our own involvement, one of our involvements is in the pension fund area. Our people moved in very quickly to ensure the pension funds were intact and that the funding was there, and satisfied themselves there were sufficient funds and that everything was okay. That is one aspect that has been done. In so far as the member refers in his news conference to the Ontario Securities Commission and what it might do, the fact that Canadian Admiral is a private company means the commission has absolutely no involvement.

Mr. Peterson: It wasn't at the time of the takeover.

Hon. Mr. Walker: I think it might be worth reinvestigation on the part of the member to verify that. It might be a bit of shoddy research. I would suggest he might take a look at that, but it has been my understanding that what I said is the case. Although it did make a public filing, the fact of the matter was that the securities commission advised it was unnecessary to do so, because the commission has no direct involvement whatsoever in it. It is not what is called a reporting issuer and, that being the case, it is not necessary to submit a prospectus on any matter nor is it necessary to provide any financial statements as required under the act. The securities commission is, to use the legal word, *functus*, or has absolutely no power of intervention, no power of involvement.

If the member were to raise another question relating to the Corporations Act, we in Ontario have the Business Corporations Act, but that does not apply because both companies, Canadian Admiral and the parent company, York Lambton, are federally incorporated companies and, as such, come within the federal jurisdiction, that is, under the Canada Business Corpo-

rations Act. To the extent we were involved, which was only in the one area of pensions, we were into the business within a matter of hours on hearing the announcement, and satisfied ourselves the pension funds were intact.

Of course, I know the member has spoken to the Minister of Industry and Tourism or raised questions with him, and he will know how much that minister is directly involved in attempting to find a proper successor for it. I gather he is somewhat optimistic about the whole matter.

Mr. Peterson: Supplementary, Mr. Speaker: I am somewhat hopeful; it is the first time I have seen the minister bleed for the disadvantaged.

But let me just point this out to him: Admiral was only 99.71 per cent owned by York Lambton until there was a series of manoeuvres to try to take out some minority shareholders, so it was subject to securities commission legislation. In fact, it filed a takeover circular with the commission. That should have put the minister on notice. There was notice there was going to be a \$25-million strip of that company. There may not have been laws to protect it, but there should be laws to protect against that kind of rape of a company.

I want to know what the minister is going to do, if he is not choking the Ontario Securities Commission to death as it currently exists, to beef up the law so that this can never happen again and so that these people will not be out of work because of this kind of transaction. Second, I want to know what the minister is doing about a potential fraudulent preference to the banks against several small suppliers to Canadian Admiral that are now in the position of laying off people, losing bad debts to that company and putting a number of other small companies in a very serious position.

Hon. Mr. Walker: Mr. Speaker, if we assume that the facts set out in the member's statement are correct—and we have not had time to check out the details, although we find from what has been said today that some of them appear to be wanting—the fact of the matter is that Canadian Admiral has never been a publicly traded company. As a wholly-owned subsidiary of Admiral International Corporation, it was sold to Admiral Corporation and subsequently acquired, as he mentioned, by York Lambton.

The member has stated that 99.71 per cent of the shares were acquired by York Lambton. Although York Lambton filed a copy of the takeover bid, a takeover circular, with the Ontario Securities Commission at the time of the new share issue and the special dividend—and

this is a point I reiterate—they were not required to do so because a publicly traded company was not involved.

At present there is nothing in our law to prevent the shareholders of a company from determining how they will use the assets of the company they control. If the shareholders determine to wind up a company and liquidate its assets, the law permits it, subject to certain protections such as the bankruptcy and insolvency legislation, which protects creditors, and other legislation dealing with employees' rights and pension benefits.

In this case both York Lambton and Canadian Admiral are companies incorporated under the Canada Business Corporations Act. To the extent that any of their activities may be subject to control through that legislation, the responsibility has to lie with the federal government. If the activity that has been mentioned and that the member raised—the shareholders dealing with the assets—was criminally fraudulent, then the Criminal Code is there to deal with the matter.

Interjection.

Hon. Mr. Walker: I think I have answered the question.

Mr. Speaker: Order.

Hon. Mr. Walker: Perhaps the member would like to rephrase another question which might be useful to answer.

Mr. Peterson: Mr. Speaker, I have a point of clarification, because there has been a dispute about the facts here. I want the minister to know this, and I think that after I bring this point to your attention, sir, you will agree it is in order.

Canadian Admiral was traded over the counter. It was not a private company; it was a public company. It subsequently moved to take out some minority shareholders—

Mr. Speaker: Order. The minister did address that, and he clearly said it did not.

Mr. Peterson: His facts are wrong, Mr. Speaker.

Mr. Speaker: Perhaps they are, but that is not for me to judge.

Mr. Cassidy: Supplementary, Mr. Speaker: What is the minister prepared to do about what amounts to a blatant case of corporate murder, which took place when York Lambton took over Admiral Corporation? Specifically, is the minister consulting the Attorney General (Mr. McMurtry) and the Minister of Revenue (Mr. Ashe) with a view to preparing conspiracy

charges against York Lambton and the American company, which got together and appear to have conspired to evade corporate income taxes by means of the purchase and subsequent dividend strip? Second, will the minister undertake to bring in securities legislation in this province that will prevent that kind of blatant corporate strip in the future?

Hon. Mr. Walker: Mr. Speaker, under what authority would we be involved in that? I have told the member for London Centre—

Mr. Cassidy: Protecting the workers.

Hon. Mr. Walker: Oh, come on now!

Mr. Speaker: Order.

Hon. Mr. Walker: Don't be quite so fussed up on something. When you stand up don't make such a fool of yourself.

Mr. Speaker: Will the minister please answer the question?

Hon. Mr. Walker: Yes. I will try to avoid making reference to the "fool of himself" again.

The Ontario Securities Commission can only be involved in a publicly traded company. That is what it is all about; it has nothing to do with private companies.

HAMILTON HEALTH FACILITY

Mr. Mackenzie: Mr. Speaker, I have a question for the Minister of Health. Will the minister assure the people of Hamilton we can have an early and firm date for the start of construction on the recommended health care facilities for Hamilton East and that there will be capital funding available?

3:30 p.m.

Hon. Mr. Timbrell: Mr. Speaker, if the honourable member is speaking about the east-end facilities for Stoney Creek, we just received the final report within the last month. I hope to be in a position by early in the new year to announce to the people of that area our decisions with respect to that report. The member for Wentworth (Mr. Dean) has discussed the matter with me extensively on a number of occasions, inasmuch as the proposed facility is to be constructed in his constituency. I hope to be in a position to announce that early in the new year.

In the meantime, we have approved 100 nursing home beds for the east end, and we have a further report from the health council with respect to a psychiatric program, about which we have asked for further details. We are prepared to deal with that expeditiously as well.

Mr. Mackenzie: I am sure the minister is aware of the long fight by many people, including my predecessors in this House, for that facility. The rumours flying around Hamilton are that we will have to wait until at least 1983 before we see any start. I trust that is not the case. Will the minister assure us there will be the full range of facilities needed—in particular 24-hours-a-day emergency care, not the 16 hours that is recommended—and also that there will be adequate holding beds in the facility?

Hon. Mr. Timbrell: As the honourable member knows, but others would not, the report is extensive in dealing with a variety of matters, from family medicine through to emergency medicine and allied services, including social services. I will deal with all those matters when we finish the review, which I hope can be done fairly quickly.

Mr. Smith: A supplementary question, Mr. Speaker: When the minister reports to the House, will he also assure us it will be the government's intention to make certain there is a purchase of sufficient land, and that the planning of this facility is compatible with the further expansion of the facility as growth occurs so it can turn into a full-service hospital? Will he assure us they will not build a facility incapable of rational expansion for the purpose of being a full-service hospital eventually?

Hon. Mr. Timbrell: This is the very point the member for Wentworth, who is the local member, has drawn to my attention. I pointed out to him, as we have to the council and to local, interested individuals, that, as a matter of course, the only time the ministry gets involved in the cost of purchasing land for health facilities is when it is a teaching hospital. With respect to community hospitals and related facilities, we do not share in the cost of acquisition.

I understand there are discussions under way in the local community to see if the local municipality has some land it might put forward. That is a factor I am considering. As the member knows, the report recommends a five-acre site. It has been suggested by the local member and others that a minimum of 15 acres would be more desirable. Looking to the longer-term future, I think there is some merit to that argument. As I pointed out, the usual cost sharing arrangements do not, as a matter of course, include the cost of land.

CANADIAN ADMIRAL

Mr. Kennedy: Mr. Speaker, I have a question

for the Minister of Labour. Would the minister provide an update with respect to the situation the employees find themselves in at the moment regarding Canadian Admiral? Second, I understand the receiver is now going about his business of disposing of assets on behalf of the secured clients, the bankers. Is there any recourse, any remedy in law or even outside the law, whereby some of those assets might be used towards providing the employees with the benefits for which they are eligible under our legislation?

Hon. Mr. Elgie: Mr. Speaker, with respect to the first part of that question, which dealt with what is owed to workers at Canadian Admiral, both in Mississauga and in Cambridge, inspectors of the Ministry of Labour did move into both plants last Friday, and I expect a report later this week on exactly what is owed to each worker in terms of wages, holiday pay, pension benefits, severance and termination.

The issue the member is really putting is with regard to whether the agent and the receiver have the right to sell off goods. That is a matter that comes under the Bank Act and the Bankruptcy Act; it is beyond my jurisdiction and really gets into federal legislation.

The issue that has concerned many of us, and we have heard many questions about it in this House from time to time, is protection of the worker's wages. I think every Minister of Labour since 1975 has written to the federal Minister of Consumer and Corporate Affairs indicating that we felt there should be some change in the bankruptcy legislation to give greater protection to the wages of workers in respect of bankruptcies and insolvencies.

Mr. Kerrio: Why don't you start here?

Hon. Mr. Elgie: I like to speak when I have an opportunity without that wonderful man, the member for Niagara Falls, interjecting and adding useful information.

I like to think it was those comments that led to the setting up by that minister of the tripartite Landry committee, which is scheduled to report to the federal House later this week or early next week, on the very issue of what can be done to give greater protection to the wages of workers in incidents of bankruptcies and insolvencies.

Mr. Renwick: Mr. Speaker, on a point of order: The minister is unintentionally misleading the House. The company is not in bankruptcy. The Bankruptcy Act does not apply to the company. The matter is solely within the

jurisdiction and authority of the Minister of Labour; the minister ought to know that. I trust that he will stop making the statement that the responsibility for this matter lies under the Bankruptcy Act, when it is a receiver who has been appointed by the bondholders.

Mr. MacDonald: As a lawyer, you should know.

Hon. Mr. Elgie: If the honourable member had been listening, I said that one was acting under the Bank Act, which is the case of the banks, and in the case of the other creditor, which is the Caisse de dépôt et placement du Québec, it has entered in through other legislation; so I am not in error in that regard.

USE OF TIME IN QUESTION PERIOD

Mr. Samis: On a point of information, Mr. Speaker: Could I bring to your attention the fact that the leaders' questions today, by my calculations, took up 42 minutes of the question period? I think that is outrageous.

Mr. Speaker: You are absolutely right; and my time keeping is exactly the same as yours.

Mr. Sargent: Mr. Speaker, on a point of information to the Minister of Revenue about the 565,000 people who are waiting for their cheques: How many—

Mr. Speaker: Order.

MOTION

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Hon. Mr. Wells moved that the standing committee on public accounts be authorized to travel to Ottawa, on Monday and Tuesday, November 16 and 17, 1981.

Motion agreed to.

3:40 p.m.

INTRODUCTION OF BILLS

FUEL TAX ACT

Hon. Mr. Ashe moved, seconded by Hon. Mr. Bernier, first reading of Bill 166, An Act to revise the Motor Vehicle Fuel Tax Act.

Motion agreed to.

Hon. Mr. Ashe: Mr. Speaker, this bill will implement the coloured fuel program for tax-exempt middle distillate fuels which was announced by the Treasurer (Mr. F. S. Miller) in his budget of May 19, 1981.

Middle distillate fuels only become taxable if they are used in the engine of a motor vehicle

required to be licensed under the Highway Traffic Act or in vehicles and vessels operated principally for personal pleasure or recreation. Some of the well-known products included in this range of fuel are diesel, kerosene, stove oil and furnace fuel.

There are two main reasons for introducing a coloured fuel program into Ontario at this time. One is to safeguard the tax revenues of this great province, and the other is a desire to reduce the paper burden associated with the highly regulated system currently in place to administer this tax.

Because of the nature of middle distillate fuels, which makes them highly interchangeable with little effort, products that are normally put to a tax-exempt use can very easily be switched to a taxable use, or tax-exempt fuel can be sold at a tax-included price, with the seller pocketing the tax portion as profit.

With the price of fuel increasing at a rapid rate, the potential for misuse of tax-exempt fuel also increases, resulting in a potential loss of provincial tax revenue. The new coloured fuel system will prevent such tax evasion.

Mr. Smith: Mr. Speaker, on a point of order: I notice it is the intention of the Minister of Revenue, according to the statement he has been kind enough to hand to us, to read a very lengthy four-page statement on the introduction of this bill.

Perhaps you could draw to the minister's attention that it is customary to read such a statement during the period set aside for ministerial statements. At the time of presentation of a government bill, a brief explanation of the bill is usually considered to be sufficient.

Mr. Speaker: Thank you. I ask the minister to make any comments he is going to make to explain the bill as briefly as possible.

Hon. Mr. Ashe: Mr. Speaker, I was aware of the issue as raised by the Leader of the Opposition and took that into consideration, but I felt it was appropriate, as I was at this end as well, not to use up the time of the House vis-à-vis the question period. I did expand considerably upon the normal first reading statement, because I thought the issue was of some importance to the House. But if you so rule, Mr. Speaker, I can leave the details to second reading.

TOWNSHIP OF CHANDOS ACT

Mr. MacQuarrie moved, on behalf of Mr.

Pollock, seconded by Mr. Mitchell, first reading of Bill Pr36, An Act respecting the Township of Chandos.

Motion agreed to.

TOWNSHIP OF NORTH DORCHESTER ACT

Mr. Eaton moved, seconded by Mr. Jones, first reading of Bill Pr25, An Act respecting the Township of North Dorchester.

Motion agreed to.

JACINTA INVESTMENTS LIMITED ACT

Mr. Rotenberg moved, seconded by Mr. Mitchell, first reading of Bill Pr19, An Act to revive Jacinta Investments Limited.

Motion agreed to.

MOTION TO SUSPEND NORMAL BUSINESS

Mr. Smith moved, seconded by Mr. Nixon, pursuant to standing order 34(a), that the ordinary business of the House be set aside in order to give all members of the House an opportunity to receive and debate the information from Price Waterhouse and McLeod Young Weir concerning the purchase of Suncor that has been provided only to Progressive Conservative members.

Mr. Speaker: The notice of motion complies with standing order 34, and I will be pleased to listen to the honourable member for up to five minutes as to why he thinks the ordinary business of the House should be set aside.

Mr. Smith: Mr. Speaker, I know that you are only too well aware of the recent events in this House, since they did cast all of us, and particularly yourself, in one of the most unfortunate positions that anybody can recall in the conduct of democracy in Ontario. This House had closure invoked on it for the first time in perhaps a century—

Hon. Mr. Welch: That is not true.

Mr. Smith: The Minister of Energy says it is not true, but it had closure invoked on it in a very serious situation and what surely must be accepted as a very rare event in Ontario's history. Closure was invoked by the Minister of Energy after consulting, no doubt, with the Premier (Mr. Davis) on the telephone. The Premier was in Ottawa.

This is a very serious matter indeed. I have been here for six years; that is perhaps a relatively short history compared to some members. I find it a very grievous matter when the

government can spend \$650 million which with added interest ends up being well over \$1 billion and, depending upon how you calculate it, may be in the billions, and can do so with no reference to the Legislature.

We in the opposition ask not for secret information, not for the site of intended drilling or any information that would be considered sensitive and that would normally be kept from public eyes or from the eyes of people other than the principals of the deal, but simply for the basis of the deal.

In other words, we ask to have shared with us information that would lead a reasonable person to enter into a deal of this kind on behalf of the people of Ontario. We ask only for information which said on what the Premier could base his estimate that they expect a 15 per cent return.

We ask only for information related to how the government was going to pay for this purchase and whether there might not be serious implications for money leaving this country if it decides to use dividends and profits as a way of paying for the second half.

We ask only for information which the government must have had, and which one cabinet minister, the member for Armourdale (Mr. McCaffrey), said must exist in "bushel baskets", to come to a decision as serious as the one the government reached.

We ask only for information of that kind and, instead of information, we have had closure. But imagine the chagrin that anyone who believes in democracy would have to feel when it is brought to our attention that a range of panelists and experts who allegedly were consulted by the government in coming to the decision to make this purchase are not available to us.

3:50 p.m.

We are treated only with contempt and with closure. They are not made available to the standing committee on general government, where a Tory majority is used to snuff out debate, but they are made available to the Tory caucus because those worthy members, having been kept in the dark as much as we were and as much as the vast majority of members of cabinet were, are coming under some flak from their riding associations and constituents.

Those people, like everyone else in Ontario, are now beginning to ask, why would a province that does not have the money, that has to borrow it all at high interest rates, that is putting the squeeze on health, education and social

services, buy a company, not in one of the declining industries here, not in an industry that has a great future for Ontario such as electronics, not in an industry in serious need of help lest it has to lay off thousands of people, but in an industry whose primary job is to extract oil from the tar sands of Alberta and to do so in a way that guarantees not one extra barrel of oil or one extra job for Ontario?

Instead of our being given that information, apparently it has been given to the Tory caucus. Either they were given additional information or they were not. If they were given no additional information, why in heaven's name would it be required to have a half a dozen panelists talk to those worthy people to tell them what already has been written plainly in letters which contain none of the answers to the questions I asked at the beginning of this speech? If they were given information, we want to share that information in this Legislature.

Mr. Cassidy: Mr. Speaker, I see the member for Leeds (Mr. Runciman) is here, and I see that the member for Prince Edward-Lennox (Mr. J. A. Taylor) is here. I hope, when the government has its five-minute time to comment on this motion of urgent public importance to set aside the ordinary business of the House, that a member of the Conservative Party on the back benches will comment on and support the effort which the Leader of the Opposition and myself are making to have this matter debated this afternoon.

I suggest to them that if what they learned in the caucus today is defensible, they have an interest in getting the matter out to the public and, if it is not defensible, they have an interest in getting it out to the public so that before November 20 by their rights they can get cabinet to withdraw from the deal. But to have it in a hole-and-corner, confidential kind of way, it seems to me, does them bad and probably jeopardizes their seats. We all know that, apart from anything else, they like having their seats and would prefer to be in this place than not.

We are going to support this motion. We have been attempting in a number of different ways, among other things by breaking parliamentary history, to try to get the information into this House, not because we accept the view of the Leader of the Opposition that the deal is automatically suspect and should be tossed out, but because we believe the public has a right to know when \$650 million is being spent.

We also believe the public has the right to judge whether 25 per cent is the correct

proportion of Suncor to be taken, whether we should have taken a bit less or whether we should have had the advantages of full control by taking 51 per cent, since obviously that would have been available had the government decided to bargain for that much.

I find it interesting the Liberal Party has become such a convert to the question of public disclosure of information when it comes to government intervention in the private sector. In May 1980, we had the debate on the Massey-Ferguson deal. At that time the New Democratic Party moved that the Massey deal be postponed, that it not be taken up immediately, because the government behaved with respect to information about the Massey deal in precisely the way it has behaved with respect to the Suncor deal.

We said the information about the deal, including Massey's five-year planning, should be made public if we were going to commit ourselves to a guarantee of \$78 million. We said we should know what job guarantees were being provided and whether there was any agreement about parts sourcing.

We said we should know who was in control of the company, a matter that was very much in doubt at that time, and we said we should know what studies the government had undertaken about the possibility of taking control of Massey in the situation it was then in and investing directly in the company rather than guaranteeing its issues of shares.

The Liberals who now want the information opposed us on that; they supported the government at that time, even though now they say they want the information. I am glad to see them converted. I do not know where the devil they were a year and a half ago. It would have been nice if the dedication to full disclosure when it comes to government intervention in the private sector had existed a year and a half ago and had not just been discovered over the course of the last few weeks.

I suggest as well that it is ridiculous for the government to argue, as they have, that they had to agree to confidentiality because Suncor would not otherwise have made a deal. We need to find out what was really happening there, and the only way we can do it is to get the experts who have already testified before the government back-benchers to testify in public in a way that the press would be able to tune in on.

We will do our best. The New Democratic Party will hold hearings. We hope to get them going by Monday or Tuesday of next week. And

we will call those experts, because the minister has once again indicated he will not have a legislative committee hear this matter.

Suncor has been through five, 10, or was it 13 different prospective buyers, and they all turned the company down. They were desperate to find somebody who could turn it into a Canadian company that would qualify for the incentives under the national energy policy. Under those circumstances all that was required was a bit of backbone on the part of the government to say: "Well, we are sorry, boys. If this were the private sector, you would not be required to make this information public. But you are dealing with the government; you are moving into a new ball park, and in that ball park there is a requirement about the public's right to know."

The government should have insisted already that Suncor make the information available, that they go around the agreement, that they provide the kind of information we have been looking for by every means possible. In addition to that, if, as we have been told, there are bushel baskets of information and studies prepared by the government about this particular deal—

Mr. Speaker: Time.

Mr. Cassidy: —then lots of that information does not deal with what Suncor told the government, and that could have been made public already.

Mr. Speaker: Your time has expired.

Mr. Cassidy: I do not know why the government is doing this to themselves. Day after day they reveal themselves as arrogant, insensitive and—

Mr. Speaker: Time has expired.

Hon. Mr. Welch: Mr. Speaker, the notice of motion that is before the House under standing order 34(a) does provide each party with an opportunity to speak to it, appreciating that you have to rule on whether the motion is in order and of urgent public importance. I understand that will follow these various presentations.

In a spirit of being helpful in this matter, I draw attention to the notice of motion and in particular I underline certain words in that motion which I think we should understand; that is, we are going to set aside the orders of the day to give members an opportunity to receive information that has been provided only to Progressive Conservative members and, indeed, to debate information that has been provided only to Progressive Conservative members.

I assure you, Mr. Speaker, there is no information that has been provided only to

Progressive Conservative members and, as I indicated to the House in the exchange earlier today, the information that is available has been tabled and is in the public domain.

However, I think it would be unfortunate if we were to give the public any opportunity to feel there is something sinister about this matter of information. Indeed, I think the air could be cleared if the Speaker in his wisdom felt it in order to have such a debate. I think it would be a healthy exchange, since any of the information that has been made public has been filed and we can now debate it. We will see the extent to which that information has been reviewed by all members of the House.

Under the circumstances—and it is not for me to decide; it is your decision, Mr. Speaker—we welcome such a debate on the information that has been made available to all members, there being no privileged group among members here that has any additional information. Indeed, it might serve the public well, who I am sure must be somewhat confused by the accusation of attempting to suppress information, which is unreasonable and absolutely without foundation in fact.

The sooner we get on with the debate, if that is your decision, the sooner we can clear up all this mystery that surrounds the information. We will see who has read the information that is currently in.

4 p.m.

Mr. Cassidy: On a point of order, Mr. Speaker: So that the minister is not accused of hypocrisy, will he in the interests of clearing the air also agree to have the matter referred—

Mr. Speaker: Order. That is not a point of order.

I have listened to the submissions of honourable members of all parties with a great deal of interest, and I do find the motion in order. The question before the House is, shall the debate proceed?

All those in favour say "aye."

All those opposed say "nay."

In my opinion the ayes have it.

The debate shall proceed.

ONTARIO ENERGY INVESTMENT

Mr. Smith: Mr. Speaker, right from the beginning we have had, unfortunately, an attitude on the part of the government designed to undermine the utility of this debate, inasmuch as it obviously has no intention of sharing with this House information given to the members of

the Conservative caucus by the so-called experts who appeared. If the government had good faith, it would tell us what—and perhaps we will hear it in subsequent speeches—the experts said to the Conservative caucus.

Even knowing the members of the Conservative caucus and their difficulties in reading and their difficulties in understanding fundamental concepts, I still cannot imagine they would have sat there for a few hours this morning and listened to nothing. I have to assume they were told something. Even more than that, I have to assume at least a few of them understood what they were told. I have to ask, therefore, that in one of their speeches one of the Conservatives will have the decency to stand up and say what it is they have been told.

We have been in touch with Suncor, and the highest officials in Suncor tell us they would be quite willing to share the information that was given to the Ontario Energy Corporation. They would wish in one or two sensitive areas to white out certain specifics of the information—and we have always agreed that would be understandable and acceptable; we do not wish to tell the public where Suncor is finding a bargain in its materials or where it intends to build a new refinery, if it intends such a thing, or where specifically it intends to drill its next hole. We are not interested in stuff that would be considered truly confidential. But Suncor is willing to let the Ontario Energy Corporation divulge the vast majority of the information it was given.

Hon. Mr. Welch: Subject to the confidentiality agreement.

Mr. Smith: Not so; not so. I say on the record now that we have spoken to the senior officials in Suncor, and they have told us that subject to being able to white out certain specifics, certain small—

Hon. Mr. Welch: That is subject to the confidentiality agreement.

Mr. Smith: No, not at all. They are not insisting upon being bound by that confidentiality agreement. They are prepared to reveal the information they gave to the Ontario Energy Corporation as long as certain very specific matters of a kind that are never revealed are whited out.

I have always said publicly that there would be such information, and I have given examples of it, if the minister would only listen instead of being so taken with listening to his own stream of unfettered hypocrisy. He might do better to listen to what we have said.

The simple fact is that this government is hiding because it knows it has hastily reached a conclusion. It was something done by one or two people, the Premier (Mr. Davis) and Malcolm Rowan. It was sold to the Minister of Energy (Mr. Welch). The Minister of Industry and Tourism (Mr. Grossman) probably thought it was okay because of public opinion regarding the Canadianization program. The Treasurer (Mr. F. S. Miller) hated the idea. And probably nobody else even heard of it.

We know this matter has been dealt with in the utmost secrecy. It was interesting to hear the Attorney General (Mr. McMurtry) speak of a conspiracy of silence in the Mafia and of shrouding matters in secrecy. The Mafia has a lot to learn from this government.

We have read the information very carefully. In the information that has been tabled, no one can find an opinion that it would be prudent to buy those shares and that it would be a good investment for Ontario. All that has been tabled is a record of the profitability of the company in the past. Based on that profitability, this company will never earn the kind of money the government says it is going to earn. Obviously they are basing their earnings prediction on something other than past earning statements. That is evident and anyone who reads the statements can understand that.

They would have to increase their earnings by about 600 per cent over the last reported earnings for the government to be able to earn the kind of profits they are speaking of, if they are going to be able to take \$100 million a year out of the company for the next 10 years, as Mr. Rowan said. So they must have information other than what they have told us about.

Furthermore, they say there is going to be a 15 per cent return. I defy the minister to show us anything in the material he has given us in his compendium which can imply to anyone there will be a 15 per cent return on this purchase, let alone explain how he is going to get 15 per cent over and above the 17 per cent cost of money. The ministers have already said it will have to be 15 per cent above the cost of money, otherwise it will be a losing proposition. I defy him to show us where a 15 per cent return can be inferred from the information that has been tabled in that compendium. It is not there. It is impossible to do so.

Therefore, whatever information the government may have had to lead it to believe there would be a 15 per cent return is obviously being put in the realm of the confidential. It is some

kind of secret information they have that says the company is miraculously going to earn 15 per cent, because it is certainly not in the information we have been given.

Then we have the question of how they are going to pay for the thing. Sadly, Ontario does not have any dough and they have to borrow it all. This is one of the very sad things that has occurred under years of consecutive Tory rule. We have to borrow all that money. Now they say they will borrow \$325 million and the rest will be taken out of profit. We pointed out if they did that, for every \$1 they took out of profits \$3 would go to the majority shareholder, the Sun Oil Company of Pennsylvania, a company that never before has taken money out of the company or out of the country. "Oh," they say, "perhaps we will borrow it differently; perhaps we will not pay for the \$325 million out of profits; we will just increase the deficit of the province over the next several years by letting the Ontario Energy Corporation take out bonds." There is no revenue in that corporation so it would simply increase the deficit.

Was the caucus told anything about that? Does the member for Prince Edward-Lennox (J. A. Taylor) know how they are going to pay for it? Did they tell him? Is it going to come out of profit or is it going to come out of additional deficit?

Mr. J. A. Taylor: We'll sit down and have a heart-to-heart talk.

Mr. Smith: We will have a heart-to-heart talk, that's fine; but does he know how they are going to pay for it? It does not look to me as though he knows how they are going to pay for it. Does he know how they are going to get 15 per cent yield on this company? The member for Prince Edward-Lennox and the member for High Park-Swansea (Mr. Shymko) cannot possibly know whether any other investment was considered as an alternative. If the government has \$650 million available—which they do not, they had to borrow it—why would they not use it to support the basic Ontario industries that are in desperate need of improvement? Why would they not use it on a high technology industry that has a future? Why would they not use it on alternative energy so we do not have to depend on oil that comes from outside the province? Why would they not use it in fuel alcohol or in the development of peat which could create thousands of jobs in Ontario? We were given

none of that information—none at all. Was the member for Prince Edward-Lennox told any of that today?

Mr. J. A. Taylor: No.

Mr. Smith: No, he was not. What was he told today?

Mr. J. A. Taylor: I do not have any information that you do not have.

Mr. Smith: There we have it. The member for Prince Edward-Lennox apparently sat through an entire caucus meeting and was told absolutely nothing. One wonders why he stays in that party. If that is the case, his intelligence has been insulted. He sat there for two hours being harangued and told nothing. That is what the man would have us believe, though it is very difficult.

Was the minister in charge of making sweet speeches to the handicapped and the elderly, the Provincial Secretary for Social Development (Mrs. Birch), who I am sure has done a great deal, told anything she did not know before this morning? Did she learn anything today that she did not know before? Did she learn anything or not? She is not telling us this at all.

4:10 p.m.

The fact is people in Ontario are absolutely mystified at how a government would take \$650 million and decide to spend it on a company in Alberta whose main enterprises are located outside Ontario, with the exception of the refinery. It is not necessarily in the public's interest to own a refinery. They have taken money and spent it in a way that does not create a single job in Ontario, and which does not guarantee an additional barrel of oil for Ontario.

They have thrown around figures and said, "The brokers tell us it is a good deal." The brokers have said no such thing, apparently. They say we will make 15 per cent. There is no basis for that in the information we have. They say we will pay for it out of profits. There is no basis for that in the information we have. There is no basis for anything in the information we have.

Based on the information we have received, we cannot possibly understand the government purchase nor any of the statements made subsequently. Today six experts talked to those worthies in the Tory back benches, and they would have us believe they told them nothing. Whatever they did tell them, we want to hear, and we want a debate in this House.

Mr. Foulds: Mr. Speaker, I rise in support of this motion. A strange evolution has occurred over the last few weeks in terms of the debate on this matter. The issue before us is the issue of secrecy. Surprisingly, the issue is not one of public ownership versus private ownership. The issue today is not even whether the \$650 million is well spent or not—although that will become the issue if the opposition gets what it is seeking through this debate and other legislative procedures.

The issue is simply this: Why has the government failed for three weeks now to supply the documentation it has to justify its acquisition of 25 per cent of Suncor? The second question is: Why did the government feel it necessary to use closure a week ago last Tuesday in the debate, and not, as the Leader of the Opposition said, to use disclosure of the facts?

Because talk in the back rooms of the Legislature and an article in today's issue of the *Globe and Mail* refer to my use of the rule under which the government acted, I point out two differences in the situation. On June 4, 1979, when I moved that a previous question be put, there had been an all-party agreement about the apportionment of debate that night. It was a Thursday night—when we debate reports—and for the first half hour we were to complete the report of the public accounts committee. For the last hour and a half we had agreed to debate the important matter which had been before the social development committee, the closing of the Lakehead Psychiatric Hospital.

My colleague, the then member for Lakeshore, Patrick Lawlor, had a particular interest in getting that on. We thought we had an agreement on that. That agreement was not lived up to. Therefore, I moved on a number of occasions to put the previous question. Ironically, the Speaker did not put the previous question until the normal adjournment time of the House. So the matter was different in substance; it was different in procedure.

In retrospect I made a mistake then. It is a mistake I will live with for the rest of my parliamentary life. The use of closure by the government minister Tuesday last will be a mistake which will haunt that government for the rest of its parliamentary life, because it epitomizes in a nutshell the reluctance of this government to be straight and honest and fair with its constituents, and with the members of the opposition. Closure, as moved by the government, was an admission that it had no answer to the demands put by the opposition that the documentation be made.

What disturbs me, as a member of this Legislature and a member of the public, is that the decision to go with the purchase of 25 per cent of Suncor was not even taken within the parameters of what we normally think of as responsible government in the parliamentary system. It is apparent the cabinet was not consulted. It was not a cabinet decision. It is apparent it was a decision hatched in secret by four or five of the top level "in" ministers and by their advisers. Not one jot of information has been made available to this Legislature or to the public of what led to that government decision. The government decision was a reversal of its previous stand in terms of public ownership in the oil industry. It had sold out its interest in Syncrude. This time it bought in. That is a major reversal of government policy.

I think the public and the opposition have a right to know why the government made that reversal. We have not one tittle of evidence from the cabinet, from the Premier or from the Minister of Energy, of what led to that sudden and major reversal of government policy. I believe one of the reasons we took it over is revealed in the Premier's flip comment that he wanted to call it Brampton Oil. I suggested we should call it OPEC, the Ontario Petroleum and Energy Corporation.

The Premier is obsessed with technology. He was obsessed with technology when he was Minister of Education; he has been obsessed with technology through his history as a parliamentarian; and now he wants a piece of the technology in the oil industry. Then when he goes to the table with Prime Minister Trudeau and Premier Lougheed he can say, "I have a quarter of an oil company in my pocket." He wants a new technological toy to play with.

The position of my party is clear. We support Canadianization. We support the principle of public ownership. But we do not support the expenditure of \$650 million when there is no guarantee the company will be Canadian-owned. We do not support becoming a junior partner in a United States-owned oil company. What we have managed to do with only a 25 per cent interest is little more than to bail Suncor out. At 51 per cent at least we would have accomplished the whole goal of Canadian ownership and public involvement.

It is well known the petroleum industry throughout the world has the most sophisticated corporate intelligence operations in the world. To suggest in this House the release of informa-

tion provided by an investment house would somehow weaken Suncor's competitive position is utter hogwash.

I think it is interesting that the government has failed to answer the substance of questions put by myself and others on the Order Paper the day after the deal was signed. I read to members the second part of question 145: "Would the ministry table the agreement in principle reached and presumably signed on Tuesday, October 13, between Ontario Energy Resources Limited and Sun Company Incorporated of Radnor, Pennsylvania." Answer: "As it may unduly impact on the final negotiations now under way, it is not appropriate to table a copy of the commitment letter dated October 13, 1981, at this time."

4:20 p.m.

Why not? How would it impact on the agreement? How would it weaken their negotiating position? How would it betray information to opponents of the deal or to Suncor's competitors? There is no explanation. How can he expect us to accept such a weasel-like answer?

I would also like to point out to the minister that during questioning in this House I myself indicated to him that, as the previous speaker has just suggested, if he made documentation available with certain parts of absolute confidentiality whited out it would, at first glance at least, be a sign of good faith.

The minister has not yet given that sign of good faith. In fact, because he was getting pressure from his back-benchers he arranged what he hoped would be a private and secret meeting with his caucus to give them information that would not be available to the Legislature generally and to the members of the public.

If the minister wants to be helpful, if he wants to be open, if he wants to be straight with the people of Ontario, then he will reveal the additional documentation before the general government committee, make the panelists available and allow tough and active questioning so we can get to the root and the truth of this matter.

Thank you very much, Mr. Speaker.

Hon. Mr. Gregory: Mr. Speaker—

Mr. Kerrio: You are going to be going Socialist whether you like it or not, is that what you are going to say?

Hon. Mr. Gregory: That is precisely what I am not going to say.

Mr. Speaker, I do not wish to debate the merits of the purchase that is contemplated but

rather to comment on some of the misconceptions, particularly on the part of the Leader of the Opposition, when he talks about caucus meetings.

There is nothing clandestine about a caucus meeting. Of course I have been around for only about six years; there are many who have been around for much more. I suppose the very nature of caucus is that it is an opportunity for a party to discuss things among themselves.

Mr. Stokes: After the fact?

Hon. Mr. Gregory: I do not know what the member opposite talks about in his caucus, and I am certainly not going to comment on that comment.

Hon. Mr. Welch: They were going after some facts.

Hon. Mr. Gregory: Yes. As our Deputy Premier points out, our caucus members were after some facts.

The information that was given to us—

Mr. Stokes: The facts after the fact.

Hon. Mr. Gregory: What did the member for Lake Nipigon say about people who interjected when he was Speaker? I think he used to call order and say, "The gentleman does not have the floor."

Mr. Nixon: No. He said, "Ignore the interjections."

The Deputy Speaker: That is just what I had in the back of my mind: "Ignore the interjections."

Hon. Mr. Gregory: I am trying to ignore the interjections.

Mr. Stokes: I used to call members to order who were provocative, too.

Hon. Mr. Gregory: Right. Well, you are being provocative.

As the Deputy Premier has stated, the backgrounding of the caucus was a simple request, relayed by me as party whip at the request of certain members of caucus, to have a discussion—

Mr. Nixon: So it was your fault that you are in this mess.

Hon. Mr. Gregory: I will take the blame for it if the member wishes.

They said they would like to have a discussion about the matter in point, Suncor. The Deputy Premier, the Minister of Energy, was kind enough to arrange for some people to come to caucus and have a discussion.

The sore point on the part of the Leader of the

Opposition particularly and that other chap who leads the third party seems to be that they did not get the same treatment. There is no way the ladies and gentlemen opposite can ever expect we in the Conservative Party are ever going to invite them to our caucus meetings. I know that really comes as a shock.

Mr. Kerrio: Why don't you try it? We won't come.

Hon. Mr. Gregory: Frankly, the reason is that we do not want those members: they would add nothing to the proceedings. Maybe when that member gets to be leader—

Mr. Foulds: That is a statement the minister is going to live to regret.

Hon. Mr. Gregory: I doubt that.

The point is that we had a caucus meeting and we discussed this, as we discuss many things. I have heard from the House leaders of both parties about certain delegations they have met. I do not think we have cried all over the place saying we do not have that same information. I wonder how many times unions have been at the caucus of the New Democratic Party. I imagine it is quite often and I imagine they get much information we are not privy to.

Mr. Foulds: Actually not as often as we would like.

Hon. Mr. Gregory: I do not know who their friends are, if the members of the opposition party have any, but I expect they do have caucus meetings in which they entertain delegations. They do not send us the details, and we do not cry about that fact, because I doubt very much if anything exciting happens at their caucus meetings anyway.

Mr. Stokes: You are missing the whole point and you know it.

Hon. Mr. Gregory: Mention has been made of the motion last week which —

Mr. Stokes: Really, this is unworthy, even of you.

Hon. Mr. Gregory: The member should not listen then. If he wants to leave he will probably not be missed.

Mr. Nixon: Most of your colleagues left.

Hon. Mr. Gregory: There has been some discussion about the motion last week which the member called a closure motion. As has been mentioned, the member for Port Arthur has used the rule in the book of calling the previous question, which he—

Mr. Foulds: The trouble was it wasn't invoked until adjournment time.

Hon. Mr. Gregory: Yes, he squirmed out of it a minute ago or attempted to.

The fact is, it was not closure, it was calling the previous motion after about two and a half to three days of debate. I hardly think that is closure.

The point was there were other things that had to be considered such as cheques that had to be paid to people whom the members in the third party normally cry about. They did not care whether they got their cheques in this case.

Mr. Kerrio: There is quite a change in philosophy over there.

Hon. Mr. Gregory: The other point I would like to comment on is the continual blabbering I get from the Leader of the Opposition about my appearances at committee meetings. The morning in question, in the general government committee, when I suddenly appeared and everybody started hooting and hawing about, "Here cometh the axeman" or something, was at a time when the Leader of the Opposition was there and the House leader of the third party was there, but the whip of the government party was not supposed to appear.

I find this a little strange, but it has come to the point where it is pretty predictable because we know when the Leader of the Opposition goes to a committee, like a cowboy—who was the chap from Sarnia who used to do this all the time; he jumped around and got things going and then he jumped to another committee? I cannot remember his name—

The Deputy Speaker: You are making your way to the resolution I am sure.

Hon. Mr. Gregory: Yes, I am doing that, Mr. Speaker. This cowboy routine is, of course, a new phenomenon—at least in the House under a majority. The Liberal Party leader and the New Democratic Party leader go into the committees because I guess they are the only fellows who have the authority to say anything over there and the other bodies follow them blindly on every opinion they have.

However, I just want to assure members I will continue to come into these meetings. When I see the cowboys from the other side going in, we might as well have a cowboy from this party as well.

Mr. Philip: Just because we do a cowboy routine does not mean we need to have Gabby Hayes coming in to tell all the others what to do.

Mr. Nixon: You have to be a certain age to get that.

Hon. Mr. Gregory: Yes, I guess so. It escapes me anyway. Did you every notice how there are only about half the number of horses' heads on that side as there are the other ends.

Anyway, I just find this motion is one that would be expected from a loser and that is exactly who it came from.

Mr. Nixon: We are, as usual, glad to hear the remarks from the honourable Conservative whip. He always—

An hon. member: So gracious.

Mr. Nixon: He never disappoints us with the quality of his contribution. In this instance, I feel he has misled the House substantially, inadvertently of course, because he feels the tenor of the motion put forward by my leader is simply that we want the same treatment the government caucus received today. That is only part of our requirement, because obviously we require the answers to the questions my leader has put before the House on many occasions, having to do with the expected profitability of the purchase and whether or not the security of energy supply is going to be any different than it is at the present time before the purchase is complete.

As members know, many of us are waiting with a great deal of interest for the budget that will be read in the House of Commons tonight by the federal Minister of Finance, Mr. MacEachen. As a matter of fact, Mr. Speaker, you in your generosity have provided a special television set, on the opposition side at least, so that we can get the good news as soon as it is read in the House of Commons. I would say the high level of interest in this budget is because of the desperate situation so many businessmen, farmers and home owners are experiencing in this province. Certainly never in my experience in politics or as a farmer has there been so much economic and fiscal pressure brought to bear on the farming community.

I do not want to waste more than half a minute bringing to the attention of the House the fact that the price of soybeans is down from \$10 a bushel last year to less than \$7 this year. The price of corn is down from \$4 last year to considerably less than \$3 this year. At the same time interest rates many farmers are required to pay are approaching 25 per cent and other costs are going up in proportion.

4:30 p.m.

The pressures they are experiencing are severe and have led them to call on this government on many occasions with their strongest voice and most efficient lobby for programs of assistance. We have been told time and again this is a federal matter, even though it was the policy of the government party in

Ontario in 1975 to have interest assistance for payments over 12 per cent. Mr. Speaker, you would certainly recall that since you were active in that election in at least some capacity.

The main argument is we do not have the resources to undertake these programs, that there are cutbacks in education, in particular at the post-secondary level, and cutbacks in hospital and medical services, all on the basis we do not have the money. We have a problem, and I know the Conservative members do as well when they go to their constituents and are asked how the government finds the resources of \$650 million to purchase 25 per cent in Suncor when it does not have the resources to meet, even in some small measure, the problems that are more extreme now than in my almost 20 years of experience in public life.

If they think about it they must recognize this must be the biggest problem we as politicians face, even beyond whether the purchase of Suncor is intrinsically correct and in the best interests economically and otherwise of the taxpayers. The real question is how they can find that sort of money when they cannot do anything for the programs that are obviously so urgent in our own communities.

More than any other reason, that is why the back-bench Tories have for once been applying very small, polite pressure on their masters. They must feel as much as we do that the Premier, emerging from many months and years of humility—from his point of view the humiliation of a minority government—is now flexing his political muscles in a way which probably gives him gratification but which is difficult for the members of this House and this community to accept.

It is apparent that over the objections of the Treasurer of Ontario he has decided, with what support in cabinet has not been made clear, to go ahead on his own hook with the decision to commit \$650 million of our taxpayers' resources. It is almost as if he was sitting at home watching television at night saying: "I am the most powerful person in this province. It is about time I let the people know that." To take this sort of unilateral decision is very much out of character for the Premier who, for many years with perhaps a few lapses, has been rather careful at least to try to bring the people of the province along with him.

There are rumours which ring true to me that there could be the advice of a pollster, maybe even a pollster hired by another jurisdiction, who could tell him and the members of the

government the only popular thing the federal Liberals have done in the last few years has been to create Petro-Canada. I believe in many respects the initiative taken by the Trudeau Liberals is extremely popular. One of the worst and most politically destructive decisions taken by the Joe Clark Conservatives was to oppose it. They soon backed away from that with their usual grace and vigour.

But the message has somehow been picked up by the sensitive political antennae of the Premier and one or two people who advise him. I do not believe the initiative could possibly have come from either the Minister of Energy or the Treasurer, who is absent from this debate, no doubt for good reason.

The Premier announced this even though he had been in his own caucus a few minutes before and had not let his own people, the backbone of his support, in on this matter. He referred it to his cabinet only a few minutes before making the announcement. It is incredible and completely out of character.

The first reaction of many people who talked to me was: "Maybe that is all right. After all, why should we let Alberta have all the advantage of the oil? Let us buy in there and get some of the advantages for ourselves as a province. We are the consumers."

We looked at this. If it were going to ensure supply, if there were going to be some way the Premier of Alberta could not turn the tap off on us the way he did a few months ago, maybe that would be an advantage. But that is not the case. Alberta controls the removal and the development of the resources and their distribution within the boundaries of the province.

Are we going to make money? The Premier mentioned it was going to be 15 per cent. There was a time when a 15 per cent profit looked pretty good, but if we are borrowing \$650 million at 20 per cent to buy a quarter of Suncor with the possibility of making 15 per cent, it does not look as good. The Treasurer has clearly indicated that he has never heard there was to be any 15 per cent profit; whether it is basic or overall remains to be seen. He indicated this was something that appeared in the newspapers and he did not know anything about it.

He had forgotten that both the Premier and, I believe, the Minister of Energy had referred to that level of possible profitability. I see the Minister of Energy giving me a beady eye; so perhaps I should remove him from that and indicate that certainly the Premier—

Mr. MacDonald: Just one McMaster alumnus to another.

Mr. Nixon: Well, I recognize it when his eyes get beady. I figured he must have found a point. After all, I knew him when his principal title in McMaster University was Master of Debate, and I do not want that fooled around with in any way. I tell you, he earned all of those laurels.

When the Premier came in and announced in a casual way this new initiative and did not put a compendium on the table, I say modestly that I believe I was the first to raise it as a point of order. His first response was, "I do not think that applies." He left out, in parentheses, the words, "to me." Then when it was pursued he said, "Well, if you want more information, come on down to the press conference."

It was almost as if he was trying to goad the opposition into the kind of response which—not so much he, because he is not around here very much—the Minister of Energy and others who have got to carry the ash cans from time to time have had to put up with. There was a condescending approach, that the rules of the House do not make any difference to him.

It was not until his own back-benchers got home and realized that some of their own thoughtful supporters wanted to have some information: "Are we going to control the oil? How much money is going to be shipped over to the United States? What is the chance of us getting the advantages of Canadianization when we only have 25 per cent turned over to Canadian—that is, Ontario's—control?"

In other words, the justification was left out completely. As far as we can see, the only justification was the one the pollsters would predict; and it is a good thing for the Premier, who for reasons of his own would like to be considered a mover and shaker on the national scheme of things, a person who is now casting his eyes to a broader field of political activity. Perhaps there will be some useful reason for him to do such a thing that was not apparent to us.

I suggest very strongly that when the Minister of Energy finally takes part in this debate—and he can do so very effectively, as we know—he should indicate that the government is going to bring forward a motion referring the matter to the general government committee, with the indication that, with the agreement of the House, it will supersede all other matters. We can call in the witnesses that were at the government caucus and others and pursue this matter as it must be pursued for the good of democracy and for the good of the province.

Mr. MacDonald: Mr. Speaker, this whole issue is developing into a spectacle such as I

have not seen in my 26 years around this House. What I find saddest about it all is that the Minister of Energy, who throughout most of his career, and particularly when he emerged as government House leader, brought a little order out of the general chaos around here because he levels and is straightforward, has done nothing but dissemble, get up and be specious in his argument through all of this episode. He knows he is being specious. I insist that he knows he is being specious, because I have too much respect for his intelligence not to realize that he knows he is being specious. He is trying to defend the indefensible.

The minister got up this afternoon. It was a beautiful ploy; it was worthy of—I do not know exactly what, but it was worthy of something or other. “There is an atmosphere that has been created that there is a sinister plot to withhold the information,” says he, “and we really have to put an end to that sinister plot. We have to clear up this mystery.”

4:40 p.m.

If there is a mood of sinister plot developing out in the minds of the people, let us review what has happened in this whole thing. In the first instance, the minister brought in a compendium of information—or whoever brought it in or did not bring it in to begin with—and that was a sham.

I do not know exactly what is the responsibility of the Speaker in this House when the rules of the House are in effect broken by a sham compendium. A compendium of information, in the rules of the House, is the background information with regard to a policy; it is new information we do not have now. That is the understanding of a compendium. That was the purpose of why it should come forward.

What did they give us? They gave us two- or three-year-old or 18-month-old statements of policy that were made by the Minister of Energy and others. They gave us the annual report of Suncor, which was a public document that everybody had before. And then they insulted our intelligence by saying, “This is a compendium of new information which explains why the government came to its conclusion.” I repeat, it was a sham. It started as a sham.

Second, it was so unsatisfactory that when the minister got up last Tuesday he read every line three times to try to give greater substance and novelty to it, because he could not persuade even his own back-benchers with his specious arguments. His whip had been under relentless pressure and had to do something; so he called a

special meeting of the Tory caucus. The minister had to bow, but he cracked the whip and a panel of six people came from the companies we have been trying to get information from about what they said to the government.

Does the minister want us to believe that when that panel of six came they gave no more than he gave? How stupid does he think we are? Not stupid enough to believe that. If they were asked questions, they gave information. If they gave information that was in addition to what the minister gave, he has not done his job, and the government back-benchers are stupid or something. They could not understand the minister; they could not appreciate it. He had to do something to supplement his inadequate job. He had not persuaded them; so he called in this panel.

Now the speciousness pours on. The minister says, “You can have the same privilege.” Suddenly the generosity: all of us in the opposition can have the same privilege. “We are going to invite the same panel.” I invite the same panel, and I ask him to make certain that they come to the New Democratic Party caucus meeting at 10 o'clock next Tuesday morning, in our caucus room. Will the minister see that they are all there? If he does not, he has not fulfilled his promise. We will ask questions of them.

Furthermore, this is not a hole-in-the-wall effort to enlighten those not bright enough to understand the minister's words of wisdom to begin with. This is going to be an opportunity for them to say what they want and to respond to our questions. It will not be left in that shroud of mystery that he regrets so the people will say: “I wonder if they got any more than the minister gave us. I wonder if perchance they asked an embarrassing question.”

No. Everybody in the media can come to our caucus meeting. I announce it: everybody in the media can come to our caucus meeting. We will hear that panel, and we will finally get what we should have had in an orderly fashion in the general government committee if the Tory back-benchers who now are unhappy about it had not responded to the cracks of the whip and blocked that taking place.

Let me go to the final point where the sham continues. It is really ludicrous. We have a debate this afternoon; we are spending a whole afternoon. Regretfully, we are really wasting a whole afternoon, because the purpose of it is what? To receive and debate the information given by Price Waterhouse. Has anybody given us the information that was given by Price

Waterhouse? Or are we to believe that Price Waterhouse did not give anything more than the minister gave last Tuesday night? We are not debating that; we cannot debate that. So the sham proceeds—on and on it goes.

We could have solved this thing in a sensible, rational way that would have been worthy of the Minister of Energy before he sunk to the depths he is now operating at in this issue. We had an amendment before this House last week through which he could have got out of the impasse over supply. We could have voted on that amendment and given supply for another month and set up a committee that would have looked at all of this information, which the Leader of the Opposition says he is now assured from a high officer in Suncor is not secret and much of it can be given.

We could have winnowed through all of that information. We could have all agreed, as we did when we went through the Re-Mor documents, that whatever was legitimately secret, competitive information should be held secret; the rest of it would have been public. In other words, the government would have cut out their dissembling and their speciousness, and they would have made the information available.

If the minister has nothing to hide, why does he not stop trying to hide it? Bring them all out here, all those bushel baskets of information which one of the minister's colleagues in cabinet said are sitting in his office or in the office of the Treasurer. I know there are bushel baskets of information. Just bring them out, just be open; don't try to close them.

Perhaps this debate is necessary to let the public see how this spectacle goes on and on. Regretfully, it is not achieving the purpose of getting a closer idea of what Price Waterhouse has to say on the issue, because Price Waterhouse is not here and we do not know what went on in the cabinet, but we will have a chance next Tuesday.

I repeat—I sit down on the repetition—will the minister make certain the panel is at our caucus meeting in our caucus room—or elsewhere if we deem it necessary, and we will let him know—at 10 o'clock next Tuesday morning with all the media invited to come and hear?

Mr. G. W. Taylor: I am pleased to participate in this debate, Mr. Speaker, and welcome the opportunity to do so. There have been many statements made about this matter, and I am quite surprised. What would be the normal route to take in a government transaction or any transaction we involve ourselves in, and what

route has the government or any individual taken on this matter? We have seen this develop.

I have heard the Leader of the Opposition state his point, and I am quite surprised how he can twist words and his reasons for it. Yet in the filibuster the other evening he and his colleagues in his party were willing to extend that filibuster in an area unrelated to the matter he was concerned with, being a compendium, which even lacks a definition as to what the contents of a compendium might be.

He was willing to extend that filibuster for who knows how long, holding ransom the paycheques of the workers, the sick and the children of this province. He and his colleagues joined in that, unrelentlessly carrying on the filibuster. I am rather shocked at that procedure.

When one looks at this transaction as a member of the government party, either as a cabinet minister or as a back-bencher, one looks at what would be the normal route. If one were a shareholder buying on the market, what would be the normal route one would take in purchasing a share of this company? Let us look at it. One would ask some financial advisers what would be the reasons for buying this share or this entire package of shares to gain control or to obtain equity in the corporation. When one proceeds to do this, naturally one makes certain analyses and then makes a decision.

The opposition always wants to reason, to find out and discover what the background reasons are for this. What alternatives did we have? That gets to the heart of cabinet secrecy and, sometimes, discussions that take place in caucus. There must be a reason for making these decisions. When government buys, it is not always the same as when an individual buys. There may be more reasons, the same reason, fewer reasons or indeed a greater reason.

There are reasons given in the compendium that is before the House now. There is the point-form rationale, which is a very good rationale to proceed with when purchasing a company such as this. Canadianization, a seat at the table, crude oil self-sufficiency of the future—all of these are put forward as reasons.

Another one is a description of Suncor, one of the leading oil companies in all fields of oil for this country and for the future: the tar sands, the Beaufort Sea, the Arctic islands, Labrador. We look forward to securing our oil self-sufficiency in all those areas.

We also look forward to a fully integrated

program of oil from discovery through refinement and into the service stations. A window on the industry is not an unusual request. The federal government has taken that step, and it seems to have the approval of the public for its purchase of the companies that indulge in oil and give it a greater voice in the oil industry in this country and in the world.

4:50 p.m.

Some say: "Why Suncor? Why put the money in it as compared to other programs?" We would all like to see our favourite programs supplied with greater funds so they may proceed. However, a decision must be made. When one looks at the part the oil industry plays in our economy, the public will applaud this transaction in the future and why we put the money in there, saying that it was a good deal and that it will be a good deal for all of us in the future.

When one of the members mentioned Syncrude, saying the Suncor deal was a change in government policy, he forgot to say the change was that we got into purchasing Syncrude when Syncrude was in a situation where it might not proceed. There again, Syncrude was purchased and subsequently sold at a profit for the government. This one may follow the same route, and I definitely hope it will.

In the marketplace, there is a textbook analogy of how to purchase these shares. The government did not go astray from that textbook method of purchasing shares. They hired analysts. The Minister of Energy made the offer to the opposition parties to have in these people we had in our caucus; they will learn we got no greater information than is currently there. I do not find what we asked them an insult. We asked them to give an explanation of the purchase and the methodology, how they went about arriving at their conclusions, which were then presented to the government.

When one sees and hears the methodology, it is no different from what one gets from any analyst on the market. It was a very thorough one, with cross-checks and cross-references, as to how one would go about purchasing shares in an oil company or purchasing an entire oil company or purchasing an interest in an oil company.

This was not done lightly. It was done very thoroughly. Thousands of man-hours were put in before the information was offered to the government and to the Ontario Energy Corporation so they could make their decision. When one hears of that background, it is only reasonable that the government would make this purchase.

Mr. Sargent: On a point of order, Mr. Speaker: Will the honourable member please tell us who spent these thousands of hours?

The Acting Speaker (Mr. Cousens): That is your point of order? The member for Simcoe Centre may continue.

Mr. G. W. Taylor: One would have to assume those thousands of hours were spent by the firms listed in the compendium, McLeod Young Weir and Price Waterhouse, who did the critique of the information and provided it to the officials of the government, who finally made the decision. It does not take a great deal of debate or thought to arrive at that conclusion.

The material is there for those who want to read and interpret it. Many people in this House, particularly those who generally ask questions from the opposition benches, have not been reading that material. They have not been making the assessment. They want to be spoon-fed material, answering the question "Why did you buy it?" in the simplest of terms. Naturally, we do not need that on this side of the House. We have done our homework. We have asked our minister.

It astounds me that the opposition people would not have asked these individuals to appear before them to supply them with more information, or the minister to supply more information.

Then we get to the point of secrecy. In any transaction, one enters into a document with confidentiality. That is no surprise. In my legal career, I entered into and advised on many of those for clients both purchasing and selling. It is no astonishing procedure, particularly in this situation. Had the individuals discussed that with cabinet, had they discussed that with caucus, how much greater would have been our chances of making this transaction? I would have said they would have been lessened greatly by the public knowledge of what was taking place. There would soon be greater competition.

I look at what was possible in the United States and the position they were taking in regard to another Canadianization of an oil company. What would have been the influence the United States government might have had on this transaction, thus taking it out of the realm of opportunity for the people of Ontario to obtain such an oil company, to secure their oil future?

Then one looks to see if it fits in with the philosophy of the Tory party. When one looks

at the history, one must look at the conservative and the progressive parts of the Progressive Conservative Party. When one looks at the energy fields that we have gone into on an experimental basis, before other nations have gone into them and before other jurisdictions, it fits in there.

The questions being asked by those who are Tories out there are only saying, "Why are we in it?" When the explanation is given to the people in the country, in the province, in my riding, as to why we purchased it, where the money is coming from and what the purpose is in the future, the reasons are accepted.

At our London policy conference, the reasons were given there; they were acceptable. That is, again, a method that is taking place in our caucus, among our members, so the information can go out further as a way of explaining why we got into it, the reasons in the future as to why we will stay in it and why the government entered into the situation.

I think the Premier, along with his Minister of Energy, has made a decision that will stand firm for the future and so we can look back at this as we have on Petro-Canada, as the federal government fully knows. The Liberal Party, I am sure, supported the federal government in its acquisition; I did not hear too much comment about that during the previous election, or during our election. That seemed to be touted as an exceptional deal, and I think this one will have the same characteristics when it is finished and totally assessed.

When one looks at the newspaper analysis and the financial analysis of this program, there appears to be great support for this purchase by those editorial writers, by the financial analysts and by many other individuals. So when one completes the total analysis of this, the support for it will be more than just a minority.

Mr. Van Horne: Mr. Speaker, it is my view that we really have one issue to address ourselves to here, and that is the issue of the rules of this House. I submit to you that when we have the statement in section 26(c) of the rules of the House that there shall be provided a compendium, we have to look at that, and we have to look at it for what it is intended to be.

I submit that when the government can come into this chamber, present itself to the duly elected members of the opposition and say the annual report and the two covering letters provide what is intended to be provided in that word "compendium," the government treats us with total and absolute disdain.

As a member of the opposition, as a member who has been duly elected to look at what is being done by government and to comment on what is being done by government, I cannot sit silent.

I attempted last Tuesday to make my case. We all know the events of last Tuesday evening. We all know that when the Deputy Premier took the floor, closure was going to be invoked. Earlier today, the Deputy Premier said that he was simply putting the question. I ask him not to play word games with us, because no matter how you choose to word it, the definition comes out the same; it is closure.

I commend the Speaker of this chamber for allowing the debate to continue this afternoon because, in my view, we must address ourselves to the provision of information in fairness to all members.

5 p.m.

I do not think the things we are asking for are all that secret. Earlier this afternoon my leader indicated that we had contacted Suncor and that they felt information could be provided if a certain number of details were blacked out. In spite of that, we have not received the information which should be forthcoming.

Beyond that, we have a situation wherein the government or a handful of the caucus of government apparently have made a decision without the total involvement of cabinet in the beginning, and this decision has had to be explained to the government caucus itself. That is the story in today's *Globe and Mail* which has been the source of comments earlier this afternoon in this House.

We have, in spite of the arguments put forth, a statement made by the party whip that they do not want us in their caucus room. The implication is that perhaps may be the only place any elected member is going to get information.

Once more, that kind of statement reflects an arrogance that is absolutely suffocating. We members on the opposition side have been duly elected. We have the rules that the House has agreed to, and the government has not lived up to those rules. How can the Deputy Premier, in all honesty to himself, look in the mirror and say, "I have done the democratic thing"? I do not think he can say that.

I feel badly. I felt badly last Tuesday night being removed from this chamber. But I will tell members, I have to submit that the leader of the

New Democratic Party and my House leader, the member for Brant-Oxford-Norfolk (Mr. Nixon)—

Mr. Cassidy: I was forced back in. That's even worse.

The Acting Speaker: Order.

Mr. Van Horne: The point is that no one does this lightly. No one stands up to interject or interrupt and does that lightly, in my view. It is a serious matter. But the point has to be made somehow. The point has to be made that we are supposed to be living in a democracy here in Ontario, and the process that we have, agreed to by all, is one that enables us as legislators to look after the needs and, of course, the finances of the people here in Ontario.

I do not think in my elected years as a provincial member or in my time as a municipal politician that I have had an issue that has caused more reaction in my community than the set of circumstances we have been dealing with in the last few weeks in this chamber.

I have had phone calls and people dropping by my house to observe that they simply cannot understand the need for all this secrecy. Let me say that the people who are making these comments to me are not necessarily Liberal supporters. I would say a good third of them are people I have not seen before. They found out somehow or other that I was at home or living in a certain part of the city and they dropped by to tell me this or they came into my office.

The more interesting thing is that about two thirds of the folks who are speaking to me are very supportive of Conservative philosophy, or have been supportive over the years. Now their support is slipping. I do not say that necessarily as a threat to the government, but it should be of concern to the government that the reaction of people out there in the community is: "Why? Why are they not telling you? Why are they not telling us?"

We tried to make a case for questions to be answered in the early part of this debate. What would one expect to find in a compendium? One would expect to find ample reason for this being considered a good deal. But how can we tell? How much is this really going to cost us? How do we know? Whose decision was this, really? Why does the government of Ontario feel it has a need to be in the oil business?

When the government provides nothing more than two covering letters and an annual report that is available in chambers of commerce

across the country, there is nothing secret there. There is no information there that will answer some of those questions for us.

At the same time, if we are concerned about finances here in Ontario and the deficit which we are told faithfully each year the government is gravely concerned about, how can the government express concern in one breath and turn around and indicate it is somehow or other going to manage such a vast expenditure of funds, adding to the deficit and giving no reasons why?

In the last 30 seconds I have, let me go back to the point I made at the beginning. The real issue is the democratic process and the rules of this House. One either lives with them or one does not. One either has a democracy in living with them or one does not have it. In my view—and I am sorry to say this—we do not have democracy in its truest sense in this House. We cannot have it when we have a government that so arrogantly stifles elected members of the opposition.

Mr. Cassidy: Mr. Speaker, I want to enter this debate because I have been trying to see what means are possible to get information about the Suncor purchase made available to the public and to the leaders and members of the opposition parties. It is a matter of public interest when one spends \$650 million.

The Minister of Energy is in the House right now and I take it—

Hon. Mr. Welch: And has been all afternoon.

Mr. Cassidy: I have been listening all afternoon. I take it from what the minister said during question period that half a dozen people who briefed the Conservative caucus on the deal, the two vice-presidents of McLeod Young Weir, Mr. Brown and I believe another official from Price Waterhouse, Mr. Rowan and I believe another official from the Ontario Energy Corporation, will be available to the New Democratic Party caucus.

We have our regular meeting next Tuesday and we intend to question those people. I look to the Treasurer to arrange their availability and to confirm that tomorrow so on Tuesday we can go through the process the government caucus went through today. Should a vice-president of McLeod Young Weir not be available we would be happy to have Mr. Kierans instead.

As I said in the House earlier, we intend to make sure that hearing is open because we do not think there is anything to hide. It is unusual to have our caucus meetings open, but we are

going to open this one so the public, as well, has the benefit of knowing whatever wisdom there may happen to be from those gentlemen.

I also intend to ask—and perhaps the Minister of Energy could arrange this for us—that one or two officials of Suncor be available. I would like them to share with us what types of information they might be able to provide without getting themselves into hot water. I would like to see how much of the information that was made available to the government could now be shared with the Legislature.

If, when all this began, the government had any commitment to the freedom of information, which has been the subject of study by commissions, task forces and endless numbers of ministers without portfolio over the last five or six years, they would have gone to Suncor and said: “Look, we happen to be in a parliamentary democracy. In that democracy we have an obligation to make information available.”

5:10 p.m.

The government should have said, “Tell us what the information is which has to be confidential if any exists and prove to us why it has to be confidential and then let us see what we can make available.” They should not have said what we can hide—that is the approach the government has taken—but “let us see what we can make available.”

We have been told there are bushel baskets of information available in the minister’s office or in the Ontario Energy Corporation offices. Surely out of all of that there was a great deal which could have been made available. Maybe a certain limited amount of it would have had to be edited. Maybe the opposition parties would have been dissatisfied with what they got. But had the government taken the frank approach and done its best in good faith to share the information about this deal, I suspect it would have found a much more positive response coming from this side of the Legislature, and perhaps even from the Liberal Party.

There would not be the feeling the government is trying to hide something. There would not be the suspicions that maybe we are being hoodwinked. There would not be uneasiness about just what kind of deal it is, who is going to pay and what the benefits are going to be.

I will talk to the minister after I have had a chance to participate in this debate, in order to make it clear to him privately as well as publicly what we expect and to see how we can confirm the arrangements, as only a short period is at stake.

But I presume, since this became an issue only in the last three or four days as far as the Conservative caucus is concerned, that just as it was possible to have those high officials from McLeod Young Weir Limited, Price Waterhouse and the Ontario Energy Corporation show up before the Conservative caucus at short notice, with four and a half days of notice it will likewise be possible for the New Democratic caucus to have a chance to speak to them.

I am constantly puzzled. I do not know what the government is really trying to do to itself as well as to the people of the province, but it is a lame excuse to argue that government, in this affair, is no different than a private corporation. If the government were to be run as a private corporation, then let us simply elect a board of directors and leave them in power for four or five years. We may as well not have a Legislature and not have the democratic process at work every day and every week for most weeks of the year.

There is a requirement of accountability, whether there is a minority or whether there is a majority. The government is required to account here in the Legislature.

I would remind the Minister of Energy of the time he spends every year in defending his estimates. He prepares a very careful document. In addition to the estimates there is a compendium, his background papers which go with that. They sometimes do not tell us very much but at least an effort is made to explain what the ministry is all about. There are some fairly detailed figures about how much is spent in major areas like transportation and communications and those kind of things.

There is a good deal of information, even if I confess from time to time I find a tendency in the government to try to conceal more than it reveals. But here we have a purchase in which the government intends to spend \$650 million, in which some further sum, maybe \$650 million or more, may be spent in acquiring majority control of the company.

The government is right now spending an amount three times larger than the annual budget of the Ministry of Agriculture and Food, six times the size of the Ministry of Industry and Tourism budget. The government is spending an amount almost equal to the entire budget of the Board of Industrial Leadership and Development program over the next five years.

We have endless debates in the estimates and elsewhere about those kinds of things. We have a regular review; hours of estimates debate.

Whether or not it is productive, at least it gives us a chance to put the officials and the ministry on the spot to try to find out what is happening.

That, it seems to me, is the least we could be doing in this Legislature. That is why I have suggested the government get up now and say, "Okay, starting on November 18, next week, the general government committee or some other appropriate committee can sit down and spend what time it needs." Call the people it needs to talk to. Get the information and have a really good, deep and searching look into the Suncor affair.

For God's sake, if the members do not intend to act as an arrogant bunch, if they do intend to be open and frank, if they want to clear the record as the minister said during the course of a five-minute introduction to this debate, then surely that is the way to proceed, rather than compelling the somewhat bizarre procedure we are undertaking.

Frankly, we are frustrated and we cannot find any other way to proceed. I remind the government Suncor had been trying to work the private route. My information is the company talked to 15 potential buyers and everybody turned it down. Under the circumstances surely it had to acknowledge the rules of the game had to change a bit. It was not dealing with the private sector any more and, in fact, it was a supplicant. Suncor, I would contend, needed the Ontario government a hell of a lot more than the Ontario government needed Suncor. Suncor was looking for somebody who could give it not just legitimacy but also the right to become a Canadian-controlled company, in order to benefit from the provisions of the national energy program.

The benefits are substantial. I would like to know exactly what the benefits are. What is the difference for Suncor, whether it is 25 per cent Canadian-owned or 51 per cent Canadian-owned? I understand that at a certain level of ownership the exploration activities on Canada lands will be 92.5 per cent subsidized by means of various provisions of Canadian tax law. If that is the case, we are entitled to know.

We are entitled to know as well how the government calculated in order to arrive at its statement there will be a 15 per cent yield. Although 15 per cent is not bad the minister has said a lot of that is capital gains and not very much may be in the form of dividends. If it is capital gains, we will have capital gains piling up, granted, but we cannot live off capital gains and certainly we cannot pay interest costs off

capital gains. Therefore there is a real question that has to be answered which the government does not appear to have looked at.

I have looked at some of the documentation. I have look at how frank Sunoco was in the 10-K documentation before the Securities and Exchange Commission. I cannot believe that at least that level of frankness is not possible from Suncor with respect to this purchase. I cannot believe that level of frankness is not possible for the government as well, except that this is a government that is determined not to share the least iota of information. Power and information are very intimately intertwined. I believe in a democratic society people have the right to have a share of power, and that means to have a share of information—the right to have adequate information to reach judgements as to the basis on which this deal was made.

Mr. Kolyn: Mr. Speaker, as a back-bencher it is certainly a pleasure for me to be able to say a few words about Suncor. The question is, basically, whether we as Ontarians want to participate in our national policy of Canadianization. The Leader of the Opposition stated earlier, and he used a line that was quite familiar to a lot of us, "not one barrel of oil for Ontario." I happened to be a federal candidate in the 1979 election and I heard Joe Clark say it in opposition to Petrocan. Here we are again. The fact is Canadianization is a very popular and proper thing to be doing at this time and we as Ontarians should be participating.

I would like to read a bit into the record: "The real investment is measured best in political terms. Like six other provinces, Ontario now has a vested interest in a positive sense in the oil industry. It has joined the oil club along with the founding members from western Canada. As a province that now stands to gain from oil price increases, its options on prices should carry more weight within the club than when it was merely a poor, protesting consumer." Since we buy 58 per cent of the oil from western Canada, I certainly think it is not a bad idea to have some say.

Another thing I would like to put on the record is this: "No Canadian government, whether federal or provincial, should have to apologize to its critics for investing in our richest resource industry, providing it has made a sound deal. The Ontario government has no qualms about public ownership of Ontario Hydro, the largest source of energy within the province. The oil industry, because it is an essential industry, is being viewed by people as the next thing to a

public utility to be controlled and directed by governments. Part of this control involves ownership by governments on behalf of the people they represent."

5:20 p.m.

When this matter was brought up in the Legislature on November 2 I was unfortunately not here. But I did go back to the record and I did check what some of the speakers said. The remarks by the leader of the third party on 10-K really interested me. I went to the trouble of getting a copy of 10-K, all 278 pages of it, and I read it. Most of it, as the members are well aware, is irrelevant but a lot of things in there are very pertinent.

Mr. Cassidy: So why did the government not share its information with us?

Mr. Kolyn: I will repeat what the leader of the third party said. Suncor has 141 million barrels of oil equivalent in terms of oil and natural reserves; at \$30 a barrel this would be worth \$4 billion on the market today. It also has 7,346,000 cubic metres of net proven oil reserves at a value of about \$525 million.

The Alsands plant has \$6 billion worth of synthetic oil; its working capital today is \$356 million; the assets of this company are \$1.7 billion; the profits this year were \$418 million, and the earnings of the operation were \$306 million in 1980. That is a bad investment as far as the Liberals are concerned, is it?

Interjections.

The Acting Speaker: Order.

Mr. Kolyn: There are other things in this document that are of interest. Apart from the petroleum and natural gas holdings set forth above, at the end of 1980 Suncor held coal leases covering 6,799 hectares. That is a lot of coal in Alberta.

Interjections.

The Acting Speaker: Order.

Mr. Kolyn: At the end of 1980 Suncor also had interests in uranium and other mineral permits, as well as claims in British Columbia, Saskatchewan, Manitoba, Nova Scotia. They have got a lot of interests. And why should we not be part of it? Certainly it is a good thing.

Interjections.

The Acting Speaker: The honourable members, order.

Mr. Kolyn: Mr. Speaker, the Financial Post corporations service lists what Suncor does and

all the companies it owns. This is all public information; all one has to do is dig it up. No problem.

Interjections.

The Acting Speaker: Order.

Mr. Kolyn: I can understand having as few people as possible know about this purchase, because we all know what happened to the Fina deal. The stocks went up to \$30 in the month before Fina was actually sold to Petro-Canada. There was nothing like that here; no irregularities were even hinted at. I think this is a good financial deal, and I cannot see how we can lose with those kinds of assets and that kind of potential in the future.

Thank you very much.

Mr. Sargent: Mr. Speaker, if one were to read about the Suncor caper in a book he would not believe it. Thousands of people are losing their homes; small businesses are dying like flies; farmers are in great distress; plants are closing all over the province, all over the country; and we are carrying a debentured debt of about \$1 billion we have not got this year. Yet here we have the Premier getting into bed with a hotshot promoter, Mr. Kierans, to spend \$650 million more that we do not have to bail out a fifth-rate oil company. They were known as the dog of the oil business. As the leader of the third party said, they have not been able to find a buyer in eight years.

So here we have a deal in which the cabinet did not know anything about this and the Treasurer did not know until minutes before it was announced in the House. The Minister of Energy knew about this deal, I assume; he should have.

Mr. Martel: There would have been a revolt in the Tory benches if they had known sooner.

Mr. Sargent: So Mr. Kierans and the think tank—I guess Eddie Goodman knew all about it; the think tank would know about it.

Most average guys on the street—I would not say the fellows opposite, because they are drunk with power—but most guys I talked to think it was a cooked deal. The government is going to have a hell of a hard time proving to the opposition it was not a cooked deal.

To quote Hugh Winsor, "The explanation for the deal may be as simple as the fact that Suncor was looking for a buyer and the Ontario Energy Corporation was looking for an energy property. Since the two companies share the same building at the corner of Bay and Wellesley, the deal could have been stumbled into on the way to the executive washroom."

In the same article of October 15, Winsor quotes from the second-quarter report to shareholders of the president and chief executive officer of Suncor, Mr. Ross Hennigar, "Profitability is now at seriously low levels which will soon have a negative impact on the long-term potential of the company." This is the great company we are getting into bed with.

We have a parallel here. If Ontario was taking a piece of the action on uranium production—for instance when Ontario Hydro was the world's largest producer of nuclear power—there would be a readily understandable rationale. But Ontario passed up the opportunity on contracts with Denison Mines Limited which cost us \$7.5 billion.

The Premier is trying to argue that the 25 per cent of Suncor deal is a good investment for the people of Ontario in conventional terms. He cited a couple of stockbrokers' opinions to the effect that it may return 15 per cent on the dollar, but for the life of him he could not explain where the 15 per cent was going to come from, although Ontario will still be borrowing the money at 17 per cent.

Before I get ahead of myself, according to this article, this company had a reduction in their profits of 49 per cent in the first quarter and 78 per cent in the last quarter. So this company was in trouble and they found a buyer.

Mr. Kierans was on the government payroll as a director of the Ontario Energy Corporation. He is also chairman of the Ontario Economic Council. He engineered this deal. He set it up, having access to the Treasury and all the information he needed, and by some sort of magic he has this vehicle through McLeod Young Weir, who are entitled, by any normal transaction, to one per cent of the action or \$6.5 million in commission. However, they did not take this and we want to know why.

Until this time, we have Mr. Kierans floating around. Now he ends up as the new president of McLeod Young Weir. He is also still the president of the Ontario Economic Council.

Interjections.

Mr. Sargent: Is he? He is not? The government discharged him from that, did they? But he is still in the book as being a director of the Ontario Energy Corporation and the head of the Ontario Economic Council.

Hon. Mr. Welch: He resigned.

Mr. Sargent: He resigned. That is good. It looks better. There is less conflict of interest.

When he has the deal all cooked, he can then resign and say, "Nothing is wrong, everything is fine here, everybody is happy."

Sun Oil has finally dumped this operation after eight years of trying to find a buyer. Their earnings were down 46 per cent in the first quarter and 78 per cent in the last quarter. When one buys a commodity I understand one pays at the market price. How does one establish market price when the common shares had no value, when they were not listed on the market? There was no market value.

We want to know how in the hell they put the deal together when they cannot even establish any value. It is not listed, it pays no dividends. The package deal they bring here will be beautifully doctored. It will be like motherhood when they bring it back here. But it pays no dividends now. How can dividends enter into the picture with the 17 per cent interest factor when they pay no dividends?

5:30 p.m.

The way it is set up now, the directors of Sun Oil Company will make a decision about whether they will pay any dividends on the preferred shares. Basically Mr. Kierans has a blank cheque. I suggest when the minister is bringing it into the House it will be well doctored. He will take all the arguments of the combined opposition and sure as hell he will need all the help from his own party to water this down to say it is a good deal.

All the minister has made is a commitment to Suncor to make a deal. Is that right? He signed a letter of commitment. That is right. I heard my good friend the member for London North (Mr. Van Horne) talk about the situation of democracy in Ontario today. Last March 19 they made a commitment to the people of Ontario, a much larger commitment.

Mr. Boudria: A commitment to keep the promise.

Mr. Sargent: Definitely. They are going to keep the promise. What the hell is going on then? They have hit a new low in democracy in this great country of ours. John Robarts was a statesman compared with those members. When he knew he was in trouble on the crime bill he admitted it. The members of the government are in deep trouble now. I suggest they will have riots in the streets in the country this winter.

The jails are now plugged full and they will be doubly plugged. They are putting three to a cell in our jails now. If they have the right to take the Treasury of Ontario and play kick the cat

around with that I am totally opposed to it as a taxpayer in this province. I am fed up with it. It shows the arrogance of the government members when they say it is a good deal. They know damn well the deal stinks.

Mr. McClellan: Spit it out. What do you really feel about it?

Mr. Boudria: That means we are not too much in favour of it.

Mr. Sargent: Right on target. The minister has hurt the democratic process if he was a party to this act. Maybe he is being used as a tool. He is charged with controlling an \$18 billion budget. He has raided every pension fund we have. There is not a nickel left in any of the funds. He is going to borrow \$650 million because somebody on the inside made a deal their caucus knew nothing about and only two ministers knew about.

In closing, there are a lot of small men walking around in high places because good men cannot afford to.

Mr. Renwick: Mr. Speaker, I want to speak briefly on this matter. Everything that could possibly have been said has been said to try to induce the government to provide the information we require in order to make a legitimate judgement about whether the determination of the government to spend these funds is a proper one. We are being denied that. We can say it again and again. That is what the minister is about. That is what his colleagues are about. It is very interesting.

I would guess the 22 members on the government benches in the third row now understand the reality of March 19. They do not get any information either, let alone have any opportunity to do other than exactly as they are told. "Stand up and support the government when you are told to. Keep your mouth shut when you are not told to speak. Do not raise any questions that could ruffle anybody." That is the reality of March 19.

The member for Sudbury East (Mr. Martel) and I know. We have been here before. We understood the reality of the Tory government prior to 1975, and we are getting our full share of it again. I say to the minister, and I can say it clearly, there is more information available about this deal on the street than there is in this assembly. I think he has to understand that we are not patsies in this place.

The proper, open and clear way would have been for the government to have put on the Order Paper a motion to approve the transac-

tion and to have provided the maximum amount of information so this assembly could have had an open debate and made a decision. That is the way it is done. One does not badger. One does not turn it into a game where we have to badger them.

Fortunately, I was not here the other night when the government invoked closure on the legitimate request of the opposition for information. I am glad I was not here on that shameful occasion. It was a shameful occasion. The minister knows it very well.

I remember clearly that when the changes took place among the deputy ministers at the end of August, I noticed Malcolm Rowan, the former Deputy Minister of Energy, was moved from the deputy ministership to be the executive officer of the Ontario Energy Corporation.

I tried to understand. Was he demoted? Was he shunted to the side? Was he promoted? I ran into him at lunch a couple of days later at one of the favourite watering places of some members of this assembly and of the government. I said to him casually, "Which oil company are you going to buy, Malcolm?" If he had false teeth, he would have swallowed them.

I only wish that with my intuitive perspicacity on that occasion, a form of extrasensory perception, I had had sufficient commitment to have started to question the government right at that time, because that is the way this government now operates. It does not even operate by cabinet; it now operates, if one can dignify it by the term, by executive committee of the cabinet, which means the Premier and whatever one or two others of his cronies in the inner group he wants to discuss these matters with.

He actually discussed this matter with more people outside his cabinet and outside this assembly than he did with people inside the government. There are more people out there who know about it. I would give my eye teeth to know how much the former Treasurer of Ontario, the original Minister of Energy, the original person who was brought in to pursue the energy matter, knows about this transaction that we do not know in this assembly.

I am always a little concerned when the whiz kids from a place like McLeod Young Weir are controlling the destinies of this province with respect to the investment of its public funds, because I tell the House this government cannot rely on any of them to take the place of the sensible, considered judgement of this assembly about what is good for the public interest. The minister has to understand that is what it is about in this assembly.

I do not know of anything else I can add in particular. There is no mystery to these transactions except the mystique of the street. The mystique of the street is that one never tells anybody anything except at lunch time and on the rumour market. That is the sieve. That is where the members of the club get to know more about the transaction of public business than the elected members of this assembly.

When will this assembly ever know the number of dollars the minister will pay by way of commissions, fees and other out-of-pocket costs while this transaction takes place? When it is over, somewhere away down the line this assembly will know. It will be too late to do anything about it, and it will be a matter of past history. The minister knows that as well as I do.

5:40 p.m.

Mr. McClellan: We will see it in public accounts.

Mr. Renwick: I do not know whether we will see it in public accounts, because I do not know the authorization under which the government is spending \$325 million or the authorization under which it is issuing the note that is being issued.

Some day I would like somebody to explain to me on what vote of this assembly, unknown to us, we have provided the government with the funds to go and spend that kind of money. I would like to understand it, because the next time that resolution comes before the House we will take another look at it to make certain we have not left an open-ended blank cheque in the hands of the government of Ontario to spend \$325 million when it cannot find it for the social programs that are necessary for the wellbeing of the people of this province.

There is something strangely wrong with the financial system of this province that permits this to happen. I wish at some point the Deputy Premier would put all of these questions right on the table for us. Will the minister even at this late hour disclose to me, to this House, to my colleagues in the House on all sides, whether there are any clauses left to the government of Ontario to get out of this deal? Are there any conditions in that agreement which, if not fulfilled, will permit the government to say, "No, we do not want this transaction"?

How do we know that the people the government has retained have the skill, the knowledge and ability to put into that agreement of commitment of October 13 the kind of protec-

tion needed? How do we know there is anybody in that cabinet who has the kind of judgement that can make that kind of decision?

I have read the statement of the Premier to the meeting of Premiers out in Victoria, the lengthy statement about the economy. I have read the statements and the communiqués issued by the Treasurer in Ottawa. I cannot for the life of me coincide the spending of this money with the statements that have been made publicly. Who is fooling whom?

The Acting Speaker: One minute.

Mr. Renwick: Maybe the minister will want to reply in the minute. I will gladly give him the last 30 seconds of my time to give him the opportunity to speak.

But the inconsistencies between the public statements of this government from the Treasurer to the Deputy Premier to the Premier are totally at odds with the private dealings of this government, and the minister ought to know that.

I simply say to the minister, he had better change his ways or there will be a change of government here come 1984.

The Deputy Speaker: I am sorry; I just got in the chair. The member for—where are you from?

Mr. Shymko: High Park-Swansea.

The Deputy Speaker: I am just showing my total unbiasedness in the chair.

Mr. Shymko: Thank you, Mr. Speaker. Now that my identity has been established in this House—

Mr. Martel: Did you win the by-election?

Mr. Shymko: The members opposite know very well there is an empty seat on their side; they will miss it for the next five years or so.

Before I make any comments, Mr. Speaker, I felt insulted, as did other members on this side of the House, by the comments made by a very eloquent speaker, a member I personally have admired on many occasions in committee and in this House for his eloquence, the member for Riverdale (Mr. Renwick), when he hinted or gave the impression that the members on this side are gagged, silenced or dictated to by caucus.

Yet members of his party have admitted that this is not so on many occasions by pointing to individual members on this side of the House who had the independence not only to vote differently on very important questions in this House but also to vote independently in committee.

I do not need the insult, the eloquent insult, which diminishes the eloquence of the honourable member who said that. No one is gagged in this House. There is no gagging in this House, either on this side in our caucus or in the other two caucuses. If there is anything I would like to point out today—

Mr. Martel: What's the motion? Are you going to debate a gag motion?

Mr. Shymko: The only gagging I see is the gagging we are witnessing at this very moment: my inability to address this House because of constant interruptions by the members opposite.

Mr. Martel: On a point of order, Mr. Speaker: Might I remind the member that he is speaking to a motion. He is not talking about the gag motion but about the motion introduced by the Liberal leader.

The Deputy Speaker: As a matter of fact, the point of order is well taken.

Mr. Shymko: First of all, let me comment about equity. The members on this side of the House should not have any less or any more information than the honourable members opposite, absolutely not. I support any comments, any criticism, any concerns from the opposite side of this venerable chamber when there is inequity in terms of the information we supposedly have obtained or might obtain. I do not know any less or any more than the honourable members opposite.

The information we received this morning is here. We had an opportunity to question officials. I support the member for York South (Mr. MacDonald), who said: "Let us listen. Let us question the representatives from Suncor and have the same opportunity to pose questions." As the minister has indicated, not only do the members opposite have the right to do this but also they may invite the media. We support this. Go ahead, invite them, ask them the same questions or even more than we did. No one questions that. No one deprives them of that equity.

What I find is confusion. I would like to know whether they are going to seek the supposedly confidential, secret, cabalistic information that is being withheld from them by inviting representatives of Suncor to their caucus or whether they are going to proceed with the initial intention of referring this to the standing committee on general government.

I am confused. What do they want? It has been referred to the standing committee. Do

they want the standing committee on general government to listen to this, do they want the analysts to appear as witnesses, or do they want them to go to their caucus?

I am totally confused. I do not know what we are discussing. I am very happy with the information we received. We needed more; we got officials who came down, we asked them questions and they answered anything we wanted to know. The members opposite have the same opportunity. No one is preventing them from doing this.

I am surprised by some of the veteran members of this Legislature who have time and time again criticized this side of the House because we have had no opportunity to proceed speedily with the recommendations of the Commission on Freedom of Information and Individual Privacy. We are concerned. Have they read the recommendations of the Williams commission? I want to remind them of the information and the recommendations.

The Williams commission made the following comments on the public release of the kind of information we are discussing today. It said: "In the course of discharging their responsibilities to the public, governmental institutions collect substantial amounts of information about the activities of business firms," such as Suncor. "Some of this information, such as trade secrets, constitutes a valuable asset and disclosure would impair a firm's ability to compete effectively in the marketplace."

I continue: "Existing and proposed freedom of information laws in other jurisdictions provide for an exemption relating to material of this kind. We share the view that such an exemption is a necessary feature of a freedom of information law."

The member has read that. He has been here longer than I have. As a matter of fact, the member has requested the very implementation of this recommendation. What a waste of time!

5:50 p.m.

We were talking about closure. It is a shameful moment today when we witness closure of one of the most sacred moments in this Legislature, and that is the private members' hour. If there is any moment when I can sit here unshackled by the straitjacket of partisan politics, it is the private members' hour, and yet this motion is applying closure to private members' hour.

Mr. Renwick: Mr. Speaker, on a point of

order: It is very clear that what is taking place here is totally in accordance with the rules of the House, and the member ought to know it.

Mr. Shymko: Mr. Speaker, I am commenting on the moving experience for all of us who have the opportunity on Thursday to sit back, not bound by partisan limitations, and listen. I want to point out that we would have had the opportunity today to discuss an act to provide for the removal of urea formaldehyde foam insulation.

Mr. Cassidy: Mr. Speaker, I want to raise a point of order: Under section 96 of the standing orders, it says quite specifically that a member who does one thing and says another will be expelled from the House for hypocrisy.

The Deputy Speaker: It does not say that under section 96.

Mr. Shymko: Again, talking about veteran members, I am surprised by this very interpretation of the standing orders. I will not comment on the member for Ottawa Centre's remarks. I am not going to waste my time and comment on them.

I want to point out that I am surprised we would totally waste this time. This has been pointed out by the member for York South, who said, "A waste of time." I watched the pages who watched this charade, this shameful circus of forcing the members of this side to apply closure in order that moneys would be provided and wages paid to our working people, the 80,000 public servants of this province who otherwise would have been deprived of their wages, salaries and moneys to provide the food on their table and the shelter over their heads. What a shameful moment!

Today, they are again using closure to stifle a discussion of such important issues as the removal of urea formaldehyde foam insulation as proposed in the motion by the honourable member opposite who has done so much research. As a matter of fact, the member for Welland-Thorold (Mr. Swart) had 25 people coming all the way from Welland—

The Deputy Speaker: Your time has expired. If I might beg the indulgence of all honourable members, it is my understanding that the Liberal-Labour member for Rainy River (Mr. T. P. Reid) wanted to speak next. In the ordinary rotation, however, the Minister of Energy has yet to make his comments, and I—

Mr. T. P. Reid: Mr. Speaker, I am willing to give up my valuable time and pearls of wisdom to hear from the Minister of Energy.

The Deputy Speaker: Do we have House agreement? Maybe he does not want to talk. He does.

Hon. Mr. Welch: Mr. Speaker, I am grateful to the honourable members opposite for the provision of about five minutes in this debate.

I might start off by saying that I appreciated the interjection of the member for Riverdale reminding my colleague who has just spoken of the fact that what is going on today is in accordance with the rules. No one objects to that, and people understand that.

I remind him that in his absence last Tuesday night the House proceeded according to the rules as well. Last Tuesday night, standing order 36 provided for the putting of the previous question. The rule was very clear as to what had to be done before that question was even put, in the exercise of some judgement on the part of the Speaker after three days of debate on interim supply.

I suggest to the honourable member that is in the rules, which were passed by this Legislature when this party and government was in a minority situation; so I do not think we should talk in terms of this rule business too loosely. Indeed, what happened on Tuesday night was in accordance with the rules.

I also point out that there is ample opportunity with respect to continuing the quite proper role of the opposition with respect to other business in this House.

Before us is a motion, accepted by the Speaker for an emergency debate this afternoon, that the members should receive and debate information provided only to Progressive Conservative members. There has been no information provided only to Progressive Conservative members. Let the record be clear with respect to that.

I remind the honourable members to take a look again at the debate of last Tuesday evening when we went to great lengths to recite all the information that has been tabled and what that included. It included policy statements of this government over a year ago with respect to the expanded role of the Ontario Energy Corporation, policy statements supported by other documents that indicate what the government's background was.

With the greatest respect to the member for York South, and I do this because I know of his many years of service, I invite him once again to take a look. What he has said is not a compendium is stated by the Camp commission on the Legislature to be a compendium. It is, in fact, a

collection of statements and policies. Perhaps the only thing we should have done was dress it up inside some new cover and make it look as if it was different when what we were really doing was collecting government statements, policy statements and particulars that spell out the availability of all this information.

No doubt the Leader of the Opposition will have an opportunity tomorrow to indicate the name of the so-called senior official from Suncor who said he had no objection to the tabling of information. The senior officer who has authority in that regard is not even in the country at the moment. I do know that a week or so ago someone from that party did talk to that senior official. The senior official made it quite clear what the terms of the confidentiality agreement were.

I understand there was a telephone call today to somebody in the public relations department who was unable to comply with the Liberal Party's staff inquiry, because the man who had the responsibility for making that decision was out of the country. We do not treat lightly—

Mr. Cassidy: On a point of order, Mr. Speaker: Since the minister's time is almost up, will he respond to my request today that those officials of the Ontario Energy Corporation and of McLeod Young Weir be available to us at 10 o'clock on Tuesday morning at our caucus?

Hon. Mr. Welch: Acting in terms of the information that is available here, I think it is important the record show that what has prompted this was the suggestion that there were some members of this House who had been provided with information not available to other members of this House.

The point has to be made that this is not the case. That is absolutely not supported by facts. What did occur was a response to an invitation from the whip of this party to provide technical people who could assist in the interpretation of

the information that was tabled. That, indeed, did transpire. We have heard from members on this side of the House in that regard, and it is important that we state we are here unable to debate—

Mr. Cassidy: Yes or no?

Hon. Mr. Welch: I am not able to respond to that question with respect to the availability of people at a certain time on a certain date. I stand by what I said in this House, that it would be made available to the caucuses if that is what they require. As a matter of courtesy, I think I should check to see when people are available.

Let us not try to cloud the issue. What I said in this House with respect to the availability of those people is on the record. Why is the member starting to grandstand now? These are people who should at least have the courtesy of being consulted with respect to the time they are available. I think that is only fair.

As far as this motion is concerned, it speaks for itself. There was no such information made available that is not already available to all members of this House.

The Deputy Speaker: Time has expired on this particular motion.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, I want to inform the House that I will make the usual business statement for next week tonight just before the 10:30 p.m. adjournment.

ANSWERS TO QUESTIONS ON NOTICE PAPER AND RESPONSE TO PETITION

Hon. Mr. Wells: Mr. Speaker, I wish to table the answers to questions 179 and 185 and the response to a petition, sessional paper 245. (See Hansard for Friday, November 13).

The House recessed at 6 p.m.

CONTENTS

Thursday, November 12, 1981

Statements by the ministry

McMurtry, Hon. R. R., Attorney General and Solicitor General:

Organized crime informer 3409

Oral questions

Drea, Hon. F., Minister of Community and Social Services:

Greenacres Home for the Aged, Mr. Cassidy, Mr. Smith, Mr. R. F. Johnston. 3416

Elgie, Hon. R. G., Minister of Labour:

Canadian Admiral, Mr. Kennedy. 3421

McMurtry, Hon. R. R., Attorney General and Solicitor General:

Organized crime informer, Mr. Cassidy, Mr. Worton, Mr. Renwick. 3415

Norton, Hon. K. C., Minister of the Environment:

Acid rain, Mr. Smith, Mr. Cassidy. 3412

Timbrell, Hon. D. R., Minister of Health:

Hamilton health facility, Mr. Mackenzie, Mr. Smith. 3420

Walker, Hon. G. W., Minister of Consumer and Commercial Relations and Provincial Secretary for Justice:

Canadian Admiral, Mr. Peterson, Mr. Cassidy. 3418

Welch, Hon. R. S., Minister of Energy:

Ontario energy investment, Mr. Smith, Mr. Cassidy. 3411

Motion

Standing committee on public accounts, Mr. Wells, agreed to. 3422

First readings

Fuel Tax Act, Bill 166, Mr. Ashe, agreed to. 3422

Township of Chandos Act, Bill Pr36, Mr. Pollock, agreed to. 3422

Township of North Dorchester Act, Bill Pr25, Mr. Eaton, agreed to. 3423

Jacinta Investments Limited Act, Bill Pr19, Mr. Rotenberg, agreed to. 3423

Private member's motion

Motion to suspend normal business, Mr. Smith, agreed to. 3423

Ontario energy investment Mr. Smith, Mr. Foulds, Mr. Gregory, Mr. Nixon, Mr. MacDonald, Mr. G. W. Taylor, Mr. Van Horne, Mr. Cassidy, Mr. Kolyn, Mr. Sargent, Mr. Renwick, Mr. Shymko, Mr. Welch. 3425

Other business

Ontario energy investment , Mr. Smith, Mr. Cassidy, Mr. Breithaupt, Mr. MacDonald, Mr. Welch, Mr. T. P. Reid, Mr. Rotenberg.	3405
Visitor , Mr. Boudria, Mr. Baetz, Mr. Cassidy.	3405
Legislative pages , Mr. Speaker.	3409
Use of time in question period , Mr. Samis.	3422
Business of the House , Mr. Wells.	3446
Answers to questions on Notice Paper and response to petition , Mr. Wells, tabled.	3446
Recess	3446

SPEAKERS IN THIS ISSUE

Ashe, Hon. G. L.; Minister of Revenue (Durham West PC)
Baetz, Hon. R. C.; Minister of Culture and Recreation (Ottawa West PC)
Boudria, D. (Prescott-Russell L)
Breithaupt, J. R. (Kitchener L)
Cassidy, M. (Ottawa Centre NDP)
Cousens, D.; Acting Speaker (York Centre PC)
Cureatz, S. L.; Deputy Speaker (Durham East PC)
Drea, Hon. F.; Minister of Community and Social Services (Scarborough Centre PC)
Elgie, Hon. R. G.; Minister of Labour (York East PC)
Foulds, J. F. (Port Arthur NDP)
Gregory, Hon. M. E. C.; Minister without Portfolio (Mississauga East PC)
Johnson, J. M. (Wellington-Dufferin-Peel PC)
Johnston, R. F. (Scarborough West NDP)
Kennedy, R. D. (Mississauga South PC)
Kerrio, V. G. (Niagara Falls L)
Kolyn, A. (Lakeshore PC)
MacDonald, D. C. (York South NDP)
Mackenzie, R. W. (Hamilton East NDP)
Martel, E. W. (Sudbury East NDP)
McClellan, R. A. (Bellwoods NDP)
McMurtry, Hon. R. R.; Attorney General and Solicitor General (Eglinton PC)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Peterson, D. R. (London Centre L)
Philip, E. T. (Etobicoke NDP)
Reid, T. P. (Rainy River L-Lab.)
Renwick, J. A. (Riverdale NDP)
Rotenberg, D. (Wilson Heights PC)
Sargent, E. C. (Grey-Bruce L)
Shymko, Y. R. (High Park-Swansea PC)
Smith, S. L. (Hamilton West L)
Stokes, J. E. (Lake Nipigon NDP)
Taylor, G. W. (Simcoe Centre PC)
Timbrell, Hon. D. R.; Minister of Health (Don Mills PC)
Turner, Hon. J. M.; Speaker (Peterborough PC)
Van Horne, R. G. (London North L)
Walker, Hon. G. W.; Minister of Consumer and Commercial Relations and Provincial Secretary for Justice (London South PC)
Welch, Hon. R. S.; Minister of Energy (Brock PC)
Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)
Worton, H. (Wellington South L)



Ontario, *LEGISLATIVE ASSEMBLY*

No. 96

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Thursday, November 12, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

Thursday, November 12, 1981

The House resumed at 8 p.m.

ORDERS OF THE DAY

ASSESSMENT AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 142, An Act to amend the Assessment Act.

Mr. Charlton: Mr. Speaker, I will attempt to pick up where I left off on Monday evening. I think I began to talk about the whole question of market value. For me and the members of this caucus there are some problems with that whole question for two basic reasons. I am probably clearer than most, as clear as anybody in this House, about why we are again postponing full market value. As I said at the end of my remarks on Monday evening, the section 86 program, the equalization program at percentage of market value which the ministry moved into some three years ago, has some very clear and definite benefits. I and my colleagues in this caucus have acknowledged those limited benefits over the course of that three-year period.

On the other hand, it was acknowledged on a number of occasions by the former Minister of Revenue, Lorne Maeck—who is no longer with us—that although it does provide some benefits to individual property owners in the province and even to some major sectors in the area of property tax payment, the section 86 program does not deal with the real problems of property taxation and municipal finance in the province in an overall sense. We are not bothered so much that we are not all the way to the total and final answer. What bothers us—and I think it was somewhat reflected in the comments of the member for Erie (Mr. Haggerty) on Monday evening, but not very clearly set out—is that there is absolutely no specific discussion coming out of the government or the Ministry of Revenue that clearly sets out where we go beyond section 86. All the discussions around full market value have died and been shelved. Ministry staff in the assessment division—and I see the assistant deputy minister and some of his staff sitting over there this evening—are still working on the assumption that some day full market value will be implemented.

It is just as true and just as politically clear, though, that as long as the present circumstances exist in the real estate market the government across the way has no intention of ever implementing full market value. I am sure the minister will say in his closing remarks on second reading that this is not true but I think history has demonstrated very clearly since 1974, when we had the first postponement, that for as long as the present economic situation exists in the real estate market, for as long as major unacceptable shifts would occur as a result of the implementation of market value, it will not happen.

What really bothers us is that there is no discussion of alternatives. We have totally dropped the discussion of the overall problems of property taxation and municipal finance, and we have totally abandoned the direction set by this government. Even if it was an incorrect direction, the direction the government set out in 1968, thirteen years ago, in an effort to solve those problems was laudable. Now we are not even discussing these problems any more. But none of them have gone away. In fact many of them have become much worse in the freeze that has been in place for the last decade.

The sections in this bill that deal with a transition on assessments on rental premises that are being converted to condominium ownership are an example of why we have developed a sense that pure market value is not the answer to the problems in the property tax sector.

We will support these sections under the present system of section 86. But I want to lay something out clearly, and this is what I started to do when the Speaker asked me last Monday night to limit my remarks because of the time. A lot of people do not understand what these sections really mean in a tax context. We are saying in these sections that we have a rental unit—an apartment unit, a town house unit, whatever the case happens to be—which, for whatever reason, somebody is proposing to convert from rental to condominium. When the conversion is complete and it is registered as a condominium it will be identical to the unit that was rented six months previously. But the taxes

paid on that condominium unit to the municipality—supposedly for education, for social services and whatever other services a municipality gives its residents—will be substantially less than when it was a rental unit.

I understand probably better than anybody else in this House that the market value system provides a very precise system for assessors when they are evaluating property. But we in this Legislature have to consider the market value system from the tax point of view as well. Because we created the assessment system and maintained the assessment system as a tax structure, we ultimately have to look at what that system produces in the way of a tax burden on individuals.

8:10 p.m.

The clear example we have set out in these sections of the bill, where an identical unit is taxed in a substantially different way based on the name tag you hang over the door, is a clear indication of the taxation problems the market value system presents.

Assessors and the Minister of Revenue (Mr. Ashe) will argue the market value system is a precise and clear one which tags a unit of a property with a clear indication of its real worth. But it certainly does not tag that property with a clear indication as related to other similar or even identical properties as to what taxes that property should be paying to the municipality in question.

There are some very serious problems left to be dealt with. What is bothering us at this point is that the discussion of those problems and of any solutions from across the House has totally died. There are no further comments. Section 86 is the only thing they will talk about. The former minister quite clearly stated on a number of occasions in this House that section 86 is only a small improvement and it is not the total answer. If it is not the total answer why is there no other discussion going on?

I think I understand what the ministry and the minister are attempting to do in the sections of this bill that deal with appeals and with the implementation of decisions in the appeal process. The bill says if a taxpayer appeals his or her assessment, whether that taxpayer is an individual home owner or the owner of a huge multi-residence complex or a large industrial property or a farm, there will be no award meted out. No adjustments will be made in taxes until that decision is final.

We have in this province a three-step—and potentially a four-step—appeal process. I per-

sonally know of no occasion on an assessment appeal when the four-step process has been used, but there may have been some. We have the assessment review courts, which is the first step. There is a county court, which is the second step, and the Ontario Municipal Board, which is the third step. The cabinet is that potential ultimate fourth step.

What this proposed legislation is saying is that if a resident goes to the assessment review court to appeal his or her assessment and wins, no awards will be made if the assessment office decides to appeal that decision to the county judge. If the appellant and the assessment office then go before the county judge and the taxpayer wins again and the assessment office decides to appeal to the Ontario Municipal Board, no adjustments will be made. If the municipality appeals, no adjustments will be made.

I think I understand—but I am not sure—the intent of trying to avoid a situation where an individual appeals his assessment and wins at the assessment review court level and gets a tax rebate. The assessment office, and/or the municipality, appeal it to the county judge, the decision is overturned and he has to pay back the tax rebate. But he appeals it to the OMB, wins, and gets the tax rebate again—or any combination of crazy things like that.

On the other hand, over the course of the last two or three years the assessment appeal process to the end has become so protracted that some taxpayers, probably those least able to afford it, could quite easily get shafted in this system to the tune of three or four years.

This year I was involved in an appeal which is still pending before the Ontario Municipal Board. This appeal of a 1979 assessment was lodged in December 1978. To the best of my knowledge no date has been set for a hearing before the OMB. That is a particularly lengthy process to ask anyone to forego the dollars and cents involved in an assessment appeal which results in a tax appeal if one likes, especially if the dollars happen to be substantial.

As a result I have some serious problems with these sections. I would like very honestly to hear the minister's comments on this aspect of the bill. I can see some problems the other way as well, as I have suggested. If the total appeal process was six or eight months or even a full year to the end of the process, it would be a lot less difficult for me to handle. In the context of what we are faced with at the present time and the length of time that appeals may take to their final conclusion, I have some serious problems.

I have one further item I would like to raise with the minister while we are debating this bill. It is a question that has been raised with me by a fairly large number of people from his own ministry. That is the whole question of farm legislation announced earlier this year. The government was going to proceed with changes in the way farms were assessed and taxed. Absolutely nothing in this bill sets that out. Yet indications were that those changes would be ready and in place for the taxation year 1982.

Because it was made as a firm and positive and direct announcement, if the ministry has changed its mind or is having second thoughts I think some explanation is owed to the people in the ministry who are sitting waiting for direction. It is owing, too, to all those farmers across this province who are in a position of having to pay the taxes based on one system or the other in the next tax year.

8:20 p.m.

We would like to have some serious comment by the minister on that matter. Unless they have discovered a way of attempting to deal with this question totally in regulation, which I do not think is acceptable as I read the legislation, there is nothing in this bill which sets that policy in place.

Some of what is set out in this bill is acceptable and understandable. Some of it leaves a lot to be desired in terms of the future directions of this province in the property tax sector. I would certainly ask the minister in his comments at the wrapup of second reading to respond to the things I have raised in as specific a way as possible. They are not all necessarily questions from myself or my caucus, but questions from across this province. Some are from his own staff and some from people who have expectations which it appears are not being fulfilled. They got those expectations from comments made by this government.

Mr. Epp: Mr. Speaker, I am pleased to be able to participate in this debate on what I consider to be an important piece of legislation. I want to congratulate the minister for bringing in a few minor reforms, but I do not think they have gone far enough in a number of areas. I want to address one area in particular.

I am also pleased to see the member for Cambridge (Mr. Barlow) is here. He has had a lot of municipal experience, as has the Minister of Revenue. I would have thought that as a former mayor of an important municipality in this great province of ours the minister would

have brought in more progressive legislation and that he would have represented the progressive wing of the party rather than its conservative wing.

The Deputy Speaker: The chairman of finance.

Mr. Epp: The chairman of finance. But unfortunately he has represented the wing of the party that is moving very slowly as far as reforms are concerned. In fact, reform is probably something that is not in his vocabulary.

The former Minister of Revenue brought in section 86 which in a sense was a stopgap measure. After the halcyon days of Darcy McKeough, the government did not want to do anything that might in any way rock the boat as far as tax reform, market value and assessment reform were concerned, so they brought in section 86 which was a result of the problems primarily, but not exclusively, encountered in Cambridge. The member for Cambridge will appreciate that because it was in Cambridge the former Minister of Revenue announced he was going to implement section 86.

We on this side of the House felt this was a short-term measure and that more long-term taxation reform was going to be brought about. Millions of dollars were spent on computer programs and in sending provincial civil servants around the province, as well as to other parts of the world. They were doing studies, but to no avail. The primary beneficiaries of this expenditure of money were the civil servants who had some nice trips, the consultants who were hired and the computer programmers who were hired and so forth. Aside from that the province itself, in its policy orientation and projection, was not a beneficiary.

One thing this government lacks—which I heard highlighted again last Thursday when the former Treasurer of this province spoke to the Kitchener and Waterloo chambers of commerce—is a philosophy. Whether or not one agreed with some of the policy initiatives of the former Treasurer, at least he took some initiatives. He had a philosophy and he wanted to bring in some kind of reform. But the present government with its present leader, Minister of Revenue (Mr. Ashe) and other ministers, stumbles from problem to problem without trying to project what is going to happen and what is needed in this province.

Do members know that nine of the 10 provinces in Canada have market value assessment? Ontario is the only one that has spent millions and millions of dollars and has not

initiated it except in a few areas. It is not only that reform, which could be implemented over a long period of time—maybe five years, or something like that—but it lacks a number of other taxation reforms with respect to grants to municipalities. I believe about 83 per cent of the grants are now conditional and about 17 per cent are unconditional and the latter are decreasing rather than increasing. What we need is taxation reform.

The minister should look at section 6 on page five of the bill. If he has instigated some kind of reform here he has not gone far enough. As a former municipal politician I can tell him fairness is essential to any legislation whether it be provincial, municipal or federal. And as the member for Hamilton Mountain (Mr. Charlton) has indicated, this appeal period could go from three to four years. It could be drawn out longer than that.

So what happens if I as a property owner appeal my taxation? I go to the assessment review court and it takes months to get to the stage when a determination is made. Last year in the city of Kitchener they wanted to hear 148 cases, and the honourable judge wanted to hear them all in two days. Some of them were in a package, but a lot of others were individual cases, and he wanted to hear them all within about 10 hours.

Justice is not being done to the people of that area or any other area when the judge tries to hear that many cases in just a few hours. There was such consternation and rebellion among lawyers and taxpayers in Kitchener, Waterloo and the surrounding area that the judge had to retract his decision, set a schedule and come back over the next few months to hear all the cases.

But there is a problem when many people appeal their assessments, and the court—whether it is the assessment review court, the Ontario Municipal Board or a county court—is not in a position to deal adequately with the cases. This bill or any other bill, or any other initiative the government is taking, is not dealing with that problem.

I am disturbed about that because the minister, as a former municipal politician, should understand the problems of his constituents. Surely since June 9, 1977, he should not be so far removed from the people that he does not want to deal with their problems. Yet like the member for Cambridge (Mr. Barlow) and many other members, the minister has constituents

who have to wait months and sometimes years in order to get their assessments reviewed and a final determination made.

The assessment review court is not the final determination. After that you could go to a county court if it is a question of fact; or if it is a question of fact it could go to the Ontario Municipal Board or finally to cabinet. We know cabinet's decisions always come down in July after the House has recessed, as was the case last July. The decisions are made and quietly disseminated to the individuals concerned. There is not a big press release or anything of that nature—a press conference as in Suncor. The decisions are made and quietly disseminated about the province.

8:30 p.m.

With this section a person could appeal a particular case and would have to wait for three or four years. Let us assume that the question of assessment appeal may deal with taxes that would surround the question of \$2,000 or \$3,000. Nowhere does it say in here the person concerned would get interest on the money he has lost. For instance, if that assessment is reduced and he saves \$500 in taxes over four years that is worth a lot of money at today's interest rates.

But the minister does not want to deal with fairness in this problem. He is concerned about alienating a few municipalities, and says, "We prefer not to pay the taxation on the money we really owe that individual," whether it is a senior citizen or a prosperous businessman. As far as I am concerned, as far as this party is concerned, fairness should be more important than trying to stay on a friendly basis with all the municipalities. The minister, in all fairness, does not deal with this problem. As a result of this, later on I will be introducing an amendment on behalf of our party to have fairness integrated into this section of the bill.

In addition, I understand there are a number of groups, bodies and individuals who would like to make some kind of representation regarding this bill. In order to do that they obviously cannot come before a committee of the whole House; they have to be able to come to a standing committee. I would ask the minister seriously to consider sending this bill to one of the committees.

I know what he will tell us—that great urgency is required in passing this piece of legislation. If there is such great urgency why did we not come back earlier or why was the bill not introduced earlier? For four and a half

years—and I am anticipating what he is going to say; maybe he will not tell us that—every time we introduced the suggestion that a bill should go to a committee, unless he has initiated that suggestion, the minister says there is great urgency. But if there is such great urgency why did he not introduce the bill sooner?

If that is the case, maybe it reflects either the minister's clout in the cabinet—that he cannot convince the House leader to introduce the bill earlier—or maybe it is a sense of misplaced priorities and he does not want it to be introduced earlier. Whatever the case may be, I appeal to the minister to be fair to the people and give those who are interested in this piece of legislation an opportunity to appear before a committee even for a few hours—unless he is afraid there are examples or issues to be raised that he does not want raised. Surely to goodness one of the committees could deal with it, if only for a few hours. But I would rather see it go before a committee where there could be hearings for a few days.

Mr. Swart: Mr. Speaker, I want to say a few brief words on this bill. I want to deal with the theme my colleague the member for Hamilton Mountain (Mr. Charlton) and the member for Waterloo North (Mr. Epp) dealt with, the whole principle of the postponement of market value assessment. I say immediately that we on this side of the House recognize the real political problems with moving to market value assessment. Everyone who has been a critic in any of the three parties on this matter has struggled with this extensively over a number of years.

It is true to say that we in the New Democratic Party and those in the Liberal Party did come up with some proposals, although I am not as sure about the Liberal Party. We came up with a policy. We stood by that policy and we are prepared to move ahead. That has not been true of the government. They have talked about market value assessment, and they say they are postponing it; but when it comes right down to it, they have totally opted out of any responsibility to make the fundamental changes in the assessment system in this province which are required if there is to be fairness.

It is not untrue to say that perhaps in some respects we have got the worst of all worlds at present. We are still on the old system when it comes to levying taxes against the individuals, but we are on market value assessment when it comes to distributing government grants throughout this province. I am sure the minister will agree with that. We may be somewhere in

between when it comes to the division of the cost between municipalities and a region or within a county system.

The minister cannot continue indefinitely paying out grants to municipalities based on one system of assessment that is very substantially different from the system on which he is levying taxes within those municipalities. The result is that a municipality, when it comes to the one system, may be relatively poor because it has very little industrial assessment et cetera, but when it comes to the other system it may be wealthy. There is no relationship between the two systems.

Therefore, it seems to me that when we are once again postponing the introduction of market value as the basis on which taxes are going to be paid, the minister should give some statement to this House about what the long-term intention of the government is with regard to this matter.

A section of this bill also deals with the matter of appeals and not completing the assessment roll until all the appeals are complete. I have to say, as the member for Hamilton Mountain said, if we are going to have a fair system of assessment, we should be trying more and more to get away from these appeals.

There were studies done not too long ago and reports made by a couple of professors in the University of Toronto with regard to the unfairness of the appeal system. I do not have copies of those with me, and the minister can correct me if I am wrong, but it is true in a lot of appeal systems that if a person can afford to go to court, considering the huge cost of going to court, he can get some alleviation; but if he is a little person on the totem pole and cannot afford to take the day off work on the doubtful chance that he may get some reduction in assessment, he just does not get the benefit of the appeal system.

We should have a system by which we have the right to appeal but we do not need to have a system where the powerful and wealthy, by being able to appeal, get special privileges.

This has special application to a matter about which I am very concerned, the homes containing urea formaldehyde foam insulation. Here we have a clear situation where these people have had a dramatic reduction in the value of their homes. There can be no question about that. There is all kinds of evidence from the real estate profession.

8:40 p.m.

In the hearings that took place in British Columbia, one of the top experts on this issue in North America, who has been involved with it for 20 years, made a statement that a reduction in value on these homes runs in the neighbourhood of 25 per cent. Yet this minister and his ministry have refused to issue instructions to assessors throughout this province to reduce the value of those homes on the assessment roll, so people do not have to appeal it.

With respect to the section in this act, it can mean that there will be an even greater delay in getting recognition of that factor. If there is going to be a fair system, there is an obligation under the Assessment Act at present; they must assess at the market value.

The obligation is on the minister by law to ensure residents are assessed at the real value. Yet he has been saying to people who have urea formaldehyde foam insulation, "If you do not like the assessment you have, we are not going to automatically reduce the assessment; you go out and appeal it."

Those people with urea formaldehyde foam insulation are suffering from unsafe health conditions, and they cannot sell their homes. I had a call again just yesterday. I am flooded with letters and calls on this subject, and the minister just ignores it: "If they do not like it, let them eat cake; they can appeal it to the assessment review court."

That is not good enough when we have an act that clearly states property must be assessed at market value. This section of the bill will even make that situation worse with regard to what those people have to go through to get a fair assessment.

I would like to hear the minister say his assessors will not appeal it. When this goes through the courts and they look at it in a realistic manner and make a substantial reduction, is the minister prepared to say that his assessors will not appeal that to a higher court, as they do in some instances? Certainly he ought to be able to give that commitment. Truly, he should be going much further by living up to the act as he is required to do and making an adjustment in those assessments, all of them, seeking them out if the people themselves do not know.

The key obligation of the ministry is to arrive at a fair assessment on that property. It has the obligation to make the necessary investigation and give a fair assessment, not the people who are home owners.

I do not intend to speak at length on this bill,

but I would certainly like to hear a clear announcement of what the minister intends to do in the long term with regard to the assessment system in this province where there are tremendous contradictions at present. Is he going to live up to the law at long last and issue instructions that the assessed value of those properties with urea formaldehyde foam insulation will be reduced according to their real value?

Mr. Nixon: Mr. Speaker, once again I must express my disappointment in the fact that the new Minister of Revenue (Mr. Ashe) has not been given a mandate by his colleagues to bring some sense into the assessment of real property in the province.

This is the ninth time we have been debating the same provision, that the assessment rolls need not be returned at market value for one more year. In my heart, I am relieved that this is the case. Unlike some of the previous speakers, I have never been convinced that market value assessment had any legitimate place in our general procedures.

Other things being taken into consideration, I must say I have always listened as closely as I could to the member for Hamilton Mountain (Mr. Charlton), who again modestly said he knew more about this than anybody else. Frankly, I believe he is correct. Before he came into this House, when he was a working man and working an honest day for his living, he used to be an assessor.

Mr. Breaugh: What does that make you, the Liberal tycoon?

Mr. Nixon: All right. If the shoe fits all of us, we had better all wear it. I was a bit confused even by his statements when he said market value was the best way for the assessors to proceed but it was not a fair indication of the value for taxation purposes. I am not sure whether he is nodding or not. That is what I thought he said. It is a further indication of the complexities and obscurities of the whole art or science of assessment.

This art and/or science has been beyond the ken of most of us here and beyond the understanding of a number of ministers of revenue. I can recall raising the matter with the minister's predecessors. There was always a feeling that powers greater than they had somehow tied their hands or stopped their thought processes so they could not come up with a solution that would be viable and effective.

I have come to the conclusion that there is no

viable or effective solution with assessment in the hands of the government. The big mistake was made more than 10 years ago, when it was decided our greater wisdom here would once and for all establish justice and equity in the taxation of property in the province.

It was Darcy McKeough, lamented in many other respects but not in this, who decided the centralization of assessment powers would give us the answer to the problems that had developed over previous years. We know there has been no solution, and the costs of assessment have skyrocketed.

One of the arguments against giving the responsibility back to the municipalities is that they certainly could not afford the Cadillac assessment structure that has been developed, because no one paid any attention to it and nobody had the strength or the forethought to keep it under some control.

Like any other regionalizing aspects of government, everybody's salary was raised to the highest common factor rather than the reverse. The centralized assessment facilities, in new offices with expansion of staff, have given our rather ineffective assessment procedures a price tag the municipalities could not be expected even to consider without the transference of major amounts of additional subsidy.

My feeling is that the final solution, if I may use that phrase in this matter, is not to continue blundering around with a succession of ministers who are not given the power to set things straight because of political considerations, but to return assessment to county or city responsibility.

The level of assessment is probably a phantom if we think that will solve the problems of fairness and equity; and at the same time the minister, through an involved procedure establishing equalization factors, has contributed to the obscurity of the solutions in many situations.

I do not want to deal too specifically with situations I do not fully understand, but I know the minister's staff has been trying to grapple with some of the problems in my own constituency. If problems have occurred in the municipality of Onondaga—most people in this House know about Onondaga—the costs of the education segment for that municipality have been based in a rather complex way with the equalization factor.

The interesting thing—the minister, of course, always pays close attention to these matters—is that they are not based on the most recent equalization factor but, for reasons that elude

even me, on the equalization factor going back to about 1977. Nobody is nodding at me or shaking his head. Anyway, it is one we would consider substantially out of date.

8:50 p.m.

The equalization factor in the township of Onondaga was patently unfair when it was established. Even though they appealed it, no other references made them successful in their appeal. It is interesting to note, however, in comparison with certain other similar municipalities in the county of Brant, that the Onondaga equalization factor has been changed this year. Even though the ministry said adamantly there was nothing wrong with it before, it has now been changed. Almost like a spoiled child, the officials refused to say they were wrong, but they have corrected it.

The problem is that the education costs for Onondaga, apportioned by the local school board, are not based on the most recent equalization factor but on the previous unfair one, which has now been changed. We cannot persuade the minister, even though I know he has looked into this matter carefully and in detail himself, that the previous factor ought to be adjusted retroactively.

Other ways may exist to bring justice and equity to the ratepayers in the township of Onondaga. But so far, as far as I know, they have not come forward. They are a small municipality. They do not have the funds and the tax base to have an elaborate staff with a lot of experience, and they must rely on the interest and assistance of the minister's administrative officials if they are going to develop some fairness and equity in this connection. I felt I should raise it.

I know the minister's officials have been doing their best but, as far as I know, the solution remains beyond their grasp. I hope the minister will take a personal interest in this matter in the near future and assist us in working out a situation that is really giving an undue level of difficulty to the elected officials, not to say the taxpayers in the community who have been forced over the last four or five years to pay more than their share of education costs, simply because of the ridiculously complex assessment situation that this bill continues for another year.

On a previous occasion, I said that I personally have a high regard for the minister. I believe, from his own municipal background and from what I understand to be his personal abilities, he should be able to take hold of a

problem such as this and set it straight—get the kind of advice he needs, knock a few heads together, maybe fire a few people and hire a few new ones, if necessary. I really believe there has to be a substantial shakeup in the situation that has developed over the past 10 years since the centralizing of assessment.

I have no problem with any of the officials, but I have yet to find one, and I say this with great respect, who can really convince me that he has a grasp of the overall situation, how it can be applied and how it can be adjusted to improve its fairness and equity. I do not believe they feel it can, and I do not believe the minister can, but surely within a year we have to see some substantial improvement.

Ever since 1975 there has always been the argument that any Draconian changes in a minority situation would be politically misrepresented, and it would be difficult for the government to put forward the kind of changes they would want. Remember they established a special committee, under the now chairman of the Liquor Licence Board of Ontario, Willis Blair, former mayor of East York and former politician. He went around the province trying to get solutions, and some felt he approached some workable solutions rather closely.

But in a minority situation the government did not have the strength to go forward with any of the changes that some of them felt would be effective. Meanwhile, the complexity of the situation and the obscurity have increased. I referred to it before as some sort of mysterious priesthood that only a few people, hidden away in various offices of the Ministry of Revenue, have the power to give the kind of fairness that seems to elude most of the taxpayers when they look at their tax bills.

A good many Band-Aid programs keep the farmers from being too dissatisfied; that is, the taxpayers pay most of our taxes. We send out special cheques to senior citizens and all sorts of things to keep various groups within the community at least quiet, rather than taking hold of the tax situation and trying to give it some sense, meaning, justice and fairness.

Newfoundland, which has long been a leader in progressive taxation procedures, does not even have a property tax. A nice thought when one thinks of it. It has procedures that pay for its government programs based on a higher income tax, a higher sales tax and so on. I am not sure I am advocating that at this time, but we sometimes feel we are locked into procedures estab-

lished back in the 1850s or 1860s without stepping back and taking an entirely new look at the basic procedures for taxation in Ontario.

As a matter of fact, it has been close to 40 years since we had a government that was prepared to take a look at the tax base and recognize the injustices and the incoherent aspects of some of these tax programs, to take a new look at the matter and establish something that is at least moving us toward the goal of justice and comprehensibility.

The minister, as I have said, is in a position to do something about it. Probably he is the last one in a long line of Tory ministers having to deal with this sort of taxation. Frankly, if he cannot do it, I do not believe it can be done by any of his colleagues.

Probably my message to him is that if there is one service he can do in Ontario, even in his capacity in the Ministry of Revenue, which is some sort of a handmaiden to the Treasurer, it is to say: "Look, give me the responsibility to reform this and deal with it. Let me bring forward a program that I, from my experience and from the work I am prepared to do, will make work and that will move us toward justice and equity."

The government has been afraid to touch it since 1975 and even before, I think basically because it felt that the centralization program imposed on us by Mr. McKeough was wrong. It was one of the few places where he made a basic error in judgement, tactics and strategy.

Frankly, I believe the basic solution is going to be to return the matter to municipal control with some additional financing so the municipalities can take over the costs of this fantastic, monstrous, costly procedure for assessment that has grown ever since the original centralizing decision.

I regret very much that we have had to make this sort of speech again in this House. We felt that one of the realities of March 19 was that the ministry could take some of the tough decisions it had been postponing for so many years before. So far, there is no indication it is prepared to do that. There is no indication it is prepared to decide what is right for the province and to present it to the House for debate, discussion, amendment and presumably eventual enactment. Instead of that, we are postponing again the tough decisions that have, over the past years and now once again, continued the old procedures that have led to so much inequity and injustice.

Hon. Mr. Ashe: Mr. Speaker, first of all, I want to acknowledge the tremendous overall support from the members opposite for this piece of legislation. Granted, there was the odd suggestion and criticism that came throughout it, but that is fine; that is acknowledged.

Mr. Nixon: What is the alternative? Are you prepared to deal with market value assessment? You are not.

Interjections.

The Acting Speaker (Mr. Cousens): Order. The minister has the floor. Carry on, Minister.

Hon. Mr. Ashe: I will try. There is no doubt that after hearing comments over a couple of nights it is more difficult to try to make my response relevant to the specifics. I have made rather copious notes, and I hope I will touch upon most of the points raised by the honourable members on Monday evening and tonight.

9 p.m.

The member for Erie (Mr. Haggerty) in his opening comments indicated general support for the legislation and made comments vis-à-vis the enumeration process and the election year, three-year enumeration and so on. We were quite purposely cautious in the wording of this legislation and we did not identify the full enumeration process as being done every two years or every three years. We said it shall be done in an election year. Whether it is two years, three years, four years or five years, the legislation as now drafted will take care of any eventuality in that regard.

There was also a question regarding appeals. Frankly, I think it related to school support, and mention was made of how the process would be more difficult now by returning the ultimate responsibility of changing school support back to the assessment commissioner. Let me point out that we have not narrowed the opportunity to alter the direction of school support but, by putting it back to the assessment commissioner, back on the assessment roll and back on the assessment notice, we have made the designation much more obvious to the ratepayer and we have given him many more opportunities than before and many more places to change the direction if he so wishes.

He can change it as he could before by giving his direction to the municipal clerk. He can give it to his local assessor at the open houses that will be held before the return of the roll. He can give it to his school board. And he can give it directly to his assessment commissioner. The

opportunities are there in greater abundance than ever before and, I think, with a greater ease than ever before.

Similarly, the only necessity of going to the assessment review court in this regard would be after the roll has been returned to the clerk. Even under that eventuality, what we have agreed to do is to go before the court and, assuming the change of school designation is the only reason for the appearance, the ratepayer will not have to appear. In effect, it will be an agreed-upon change in designation and will not put the ratepayer out at all.

There was also a comment vis-à-vis the availability of open houses. Over the last couple of years, and it will be further expanded this year, this ministry has made available in all municipalities—and not just the municipalities being reassessed under the section 86 program—an open house where the ratepayers have the opportunity to discuss what it is all about with the people who are directly involved, their local assessors.

Ratepayers can ask questions on their own assessment, how they compare with their neighbours and how their assessment was arrived at. They can discuss it frankly and personally with the assessor who was involved with their own home. These are very accessible. Not only are they open in the daytime, but also there will be at least one opportunity until nine o'clock in the evening. People who do not have opportunities and access during the day can go there in the evening as well.

I think there was a question raised regarding the condominium assessment, rental versus ownership. All we are doing in this amendment is closing a loophole that has had a tendency to cause concern among many municipalities. They were very concerned about their assessment bases being unnecessarily eroded by actual rental apartment buildings being converted or in the course of being converted to condominium ownership.

These conversions are not really being done with the intent of creating a new condominium; that is to say, personal ownership of one or more units. In fact, the only reason for these conversions is to get the lower taxation that is afforded to the single-family dwelling type of situation that is given to a condominium apartment. All they are doing is carrying it on a rental basis, and the conversion is just for that purpose.

We do not think that is in the spirit of what the assessment and the tax load is all about, and that is why this section is in the act. This indicates

that a condominium will become a condominium only when it is occupied by the owner or his immediate family, and that is it. To carry on a rental building under an ownership known as a condominium will not in itself change that.

All honourable members have referred to the postponement of market value, and we all know the reasons why. It is quite simple to criticize the government and ask, "Why have you not just gone ahead with it?" Well, this is in the bill; it was put in, in effect, by the opposition a few years ago, and we are stuck with it in the legislation as it exists. It has been happening.

If, as some of the honourable members are saying, they would like this government tomorrow to implement complete, 100 per cent market value assessment, I hope they are prepared to go to the municipalities they represent and explain to the home owners why they are being asked to carry a much bigger tax load than they were before. That is really what we are talking about. We all know this is part of the problem of complete—

Mr. Epp: It does not necessarily increase taxes.

Hon. Mr. Ashe: It just goes to show that some honourable members really do not know what it is all about. In those municipalities where there are no significant shifts, many of them have been proclaimed under market value. But it is not axiomatic that this would be true in all the municipalities in Ontario, because that is not what it is all about. However, a significant number have been proclaimed on full market value, because there are not the shifts that do and would occur in the majority of the municipalities in this province.

Mr. Stokes: I think about 1984 would be an excellent time to do that.

Hon. Mr. Ashe: Well, time will tell. This government will always do things when it is appropriate for the people we represent and when it is in their best interests.

The member for Erie made a suggestion and, I think, a reference; he quoted an article from Niagara-on-the-Lake. He was under the impression that a section 86 municipality only brought market value to residential properties. As I am sure nearly all honourable members in this chamber know, that is not the case. When a municipality opts to go forward, as many have, for a program of market value reassessments under section 86, it is in the various categories of values that these market values are put on.

Hon. Mr. Welch: And the municipality agrees with it.

Hon. Mr. Ashe: As my colleague the Deputy Premier points out, the municipalities ask to go into the section 86 reassessment program after they have examined many impact studies over a great period of time to determine what will happen in their municipalities.

The difference between true market value as it was being put forward and proclaimed by some and a section 86 program is not that only residential properties are reassessed but that shifts do not take place between groups within a property class. The residential are assessed, the multiple dwellings, the industrials, the commercials, the recreational lands—all are reassessed within their own group, and not just the residential; but there are not the shifts that would take place in many municipalities if 100 per cent market value were implemented.

Nobody is suggesting that market value or section 86 or any program will be 100 per cent acceptable. As a matter of fact, I would say that those who face an increase in taxes, particularly under a section 86 reassessment, naturally figure it is unfair and inequitable and does not work. But I would suggest that those who hear that kind of complaint should seek out those others in the municipalities who have experienced a decrease in taxes; they think the system is more than fair, more than equitable, because now they are paying a little closer to what they perceive to be their fair share of the expenses of operating that municipality, that county or region, as the case may be, and that school board.

Mr. Laughren: The more you talk, the less sense you make. Keep it up.

Hon. Mr. Ashe: Well, it is difficult for someone who really knows little or nothing about the subject to grasp anything out of any subject.

9:10 p.m.

Mr. Breaugh: George, you are a pompous rear-end.

Hon. Mr. Ashe: It takes one to know one.

I think the member for Erie made a reference, and quite rightly, to the manuals used by the assessors. There is no doubt they can, like anything else, get out of date. I think the member will be pleased to know that we are updating all the assessment manuals. They will be in effect with 1980 values for next year. We have a program to keep the manuals up to date in the years ahead. I hope I have touched upon most of the issues and points raised by the member for Erie.

There is no doubt that the member for Hamilton Mountain (Mr. Charlton), as he has indicated on more than one occasion, has some personal expertise in this area. Nobody will deny that or attempt to take that expertise away from him, as he used to be involved in the Ministry of Revenue.

He touched upon the enumeration and the school support. He acknowledged his personal support for going back to something of the old system. I think it is his indication that sometimes one can make changes regardless of what motivated one to make the changes. I am talking specifically about how to change school support. When one finds it does not work quite as well as many thought, and this is not necessarily just the government, at least we can look at going back to something that was perceived to have worked better. That is what is happening here.

The honourable member also referred to postponement of full market value. To use his words, "It does not come close to solving the problems." I think I have mentioned that and acknowledged that. I would be interested to know whether those who seem to imply the answer is to go to pure and true full market value, with all the implications that has, are speaking on behalf of their party. Is it the party position to suggest that market value in its pure state, with all its shifts, would be the answer? If so, I would be happy to hear it. I did not hear it in that context. It was generally in a critical way without saying, "If I had that decision to make, I would do it tomorrow and let the chips fall where they may."

The member for Hamilton Mountain brought up the subject of the appeal process and the other suggestion and discussion vis-à-vis section 6 of the bill which is an adjustment of taxes as a result of final appeal. What we are doing in this section is making this appeal process similar, as I understand it, and I do not have a legal background, to virtually every other appeal system in law within this province, which means nothing happens until all avenues of appeal have been disposed of.

What this amendment does is bring equity and equality with other similar legislation, vis-à-vis appeals as they are accepted in common law. It is not going into something new. It is bringing this part of the legislation back into what is accepted as common law. In other words, moneys do not change hands until the appeal process has been fully resolved. I know there were concerns about the time process.

There is no doubt that some appeals, particularly the more complicated ones, can take a significant period of time.

Let me point out, and I think this touches upon some points made by others, that the majority of appeals that do go forward, and they are fewer than 10 per cent in an average year—

Mr. Laughren: All you do is touch upon points. You don't explain. You don't understand what you are talking about. You need a good briefing.

Hon. Mr. Ashe: Mr. Speaker, can you not shut down the fire over there?

The Acting Speaker (Mr. Cousens): Order, please. Each honourable member has had his turn, with respect.

Mr. Laughren: I wasn't here.

Hon. Mr. Ashe: That is your problem.

As I was saying, on average less than 10 per cent of the appeals go beyond the assessment review court. I would suggest a huge percentage of that fewer than 10 per cent is not in the residential category. In actual fact, few appeals go beyond the assessment review court when they are of a residential nature. They are usually either multi-residential, industrial or commercial and rather significant in size.

To give any credence to the comment by the member for Hamilton Mountain, and I think I have written it down verbatim, that the taxpayer least able to afford it is being asked to carry the burden, is not consistent with the facts.

The same honourable member asked me to comment on the farm legislation, as announced in the budget earlier this year, and the fact that this legislation does not allude to it in any way. That is obviously a correct conclusion, the reason for which was announced in the May 19 budget. That indication was a part of the budget.

We also indicated then, and have indicated since, both the Treasurer and others, including my colleague the Minister of Agriculture and Food (Mr. Henderson), that when that kind of legislation will have profound effects on sectors of our economy, in this case the agricultural community, we want to have discussion and dialogue.

That is exactly what has been going on over the summer and into the fall, principally with the Ontario Federation of Agriculture but also with others. There was dialogue and discussion back and forth. Frankly, we just ran out of time. The OFA is aware of this, and it is nobody's fault that we ran out of time. Those who have access

to the members and executives of the federation will find that they acknowledge it was a fruitful and beneficial ongoing dialogue.

Because it was carrying on and because it was accomplishing things, it was thought that we should not go forward with an imperfect change, that it was more prudent to wait until next year to implement any changes vis-à-vis the farm assessment and credits and the managed forests. It is not in this bill but undoubtedly will be in next year.

The member for Waterloo North talked about this bill containing a few minor reforms. That is a matter of opinion. I think it is a significant piece of legislation. Granted, it is not major, but I think it accomplishes and straightens out a few things.

If he took the trouble to go back to his municipalities, he would find there is general support for what is in this bill. It is not the total answer. Nobody ever said it was a total answer. I doubt there ever will be a total answer, but I think it goes towards taking care of some of the concerns, particularly those of the municipalities. In that sense, I think it is positive in nature.

There was a completely incorrect reference about the process, saying, to use his words, "Consultants were the benefactors, and civil servants on their long trips." That is not exactly so. There were not many consultants who made very much money. Knowing most trips that are taken, they are not taken with any great amount of luxuries involved. In most cases, the time could be better used keeping up with one's day-to-day activities back at the office.

With the renowned support of my former colleague in the Treasury, Darcy McKeough, I suggest the member for Waterloo North may ultimately be his campaign manager for some future activities he may wish to participate in. I may very well join him. I do not know, but time will tell.

9:20 p.m.

I think I have touched upon the reference to the slow appeal process. Some appeals, particularly the big ones, do take too long, but I suggest the record will show that in most instances the assessment review courts hear the majority of appeals before the rolls are finally returned.

I acknowledge that this year is an exception in many municipalities. Unfortunately, the reason goes back to something no member in this House had any control over, although our federal colleagues did have some control: the mail strike. It caused an undue delay in sending out notices of court sittings. Many that were

scheduled had to be postponed significantly, causing the backlog to build up in the meantime. We all know a court cannot be sitting in two places at the same time.

Mr. Epp: On a point of order, Mr. Speaker: I find this unadulterated crap where the minister—

The Acting Speaker: I do not accept that as a parliamentary statement. The member will withdraw it.

Mr. Epp: Well, it is unadulterated diatribe. The minister is saying that for years and years we have had a backlog of thousands of cases, and now he wants to attribute the backlog to a five or six week mail strike. I find that unadulterated diatribe, Mr. Speaker, and I do not think it is fair to the members of the Legislature, the people of Ontario or the civil servants of this province.

Hon. Mr. Ashe: It is too bad the honourable member was not listening, because that is not what I said. I think I acknowledged before that some of the appeals that go beyond the assessment review court, generally in the multi-residential, commercial and industrial areas, often do take an extended period of time. However, most of the people we deal with and represent, namely, the home owners of this province, have their appeals settled at the assessment review court, which is normally held quite promptly. That was the sector I was referring to, and I think I made that abundantly clear.

The member for Waterloo North made reference to cabinet appeals only in July and decisions quietly disseminated. Obviously, he has never taken the opportunity to find out how it works or he would not come up with such ridiculous statements. The cabinet makes decisions all the time, and these decisions are issued literally weekly on a year-round basis. This business of July must be a figment of his imagination from lack of knowledge. Frankly, I cannot put it down to anything else.

Mr. Laughren: That is unparliamentary. The minister is being silly.

Mr. Epp: Check the facts, George.

Hon. Mr. Ashe: The member should check the facts. He started off his remarks—and frankly, I could not quite understand him—by saying that Ontario was the only jurisdiction in Canada that did not have market value. Again, as is quite customary over there, his facts are somewhat removed from the truth. In fact, half the provinces in Canada do not have market value; so I do not know where his figures came from.

At least two people mentioned the fact that Newfoundland does not have a property tax. I am advised that is not the case. I do not know that personally, but I am advised by people who should know that Newfoundland does have a property tax, and the director of property assessment for Newfoundland would be rather upset to hear that they do not have it. Otherwise, he has been going through the motions for some time without a function to perform. All built-up areas have property tax administered by the province.

I think I touched upon most of the issues raised by the member for Welland-Thorold, other than the urea formaldehyde foam insulation issue, which I will comment on. The indication that I have refused to issue instructions, and the cost of appeals, both on that sector and generally on appeals of going to court, again is somewhat far removed from the facts. In the residential sector at least, the assessment review court does not have to be, and in most cases is not, a court where one goes with high-priced lawyers, planners, assessors, evaluators and tax consultants—not by any stretch of the imagination. I do not know how that would be perceived to be the answer.

The problem with the urea formaldehyde foam insulation issue is that it is not a very simple one. Contrary to the views expressed by the member for Welland-Thorold, it is not the role of the assessor to start poking holes in people's homes to see what kind of insulation they have.

Mr. Laughren: Nonsense. That is not what he said.

Hon. Mr. Ashe: That is exactly what he said. He said the onus was on the assessor to go and poke around and find out what they have. That is a lot of baloney. The member knows it as well as he knew it.

It is not a simple issue. There are great variations of opinion as to changed values. The problem is, as everybody would acknowledge, very few transactions have taken place involving these households. Until the federal government clarifies the issue, which I hope they will do somewhere down the line, the appeal process is open to them. As well, if they feel they have been hard done by on the current year's tax, they can appeal to their municipal council under the Municipal Act and have some remission of taxes if they can make a case to their local elected representatives.

The member for Brant-Oxford-Norfolk indicated it was a mistake some 10 years ago for the

province to have taken over the assessment function, and the municipalities should take it back except they probably could not afford it. I do not agree with that conclusion on more than one count.

First, as I stated earlier this evening as well as on other occasions, the assessment function is not, and never will be, pure or perfect. I acknowledge that. But there are fewer inequities, fewer glaring differences now than there were some 10 years ago when the municipalities had control of the function themselves. In many jurisdictions, the system went quite well; I do not deny that. It was handled fairly, equitably and what have you. But we are all aware of situations in many municipalities in Ontario where that was not the case; there were glaring inequities in adjacent municipalities.

Mr. Haggerty: They are still there.

Hon. Mr. Ashe: Sure, there are some, but there are a lot fewer now than there used to be. At least there is some equity in trying to get recourse to something fair and equitable for one's neighbour.

As to whether the system has become more costly, let me give a few statistics. If the members then come to the same conclusion, so be it. When the province took over the assessment function from the municipalities in 1970, they assumed some 2,800 municipal staff. The provincial staff in the assessment function of the ministry now is something on the order of 2,100. Any way one wants to cut that one, that is 700 fewer than there used to be and 25 per cent less than in 1970.

I am speaking about the people who were assumed by the province. The municipalities had indicated that was their function, their job; therefore, the person went to the province. That was with an increased work load of a four to five per cent increase in properties to be assessed. We know of the complexity, the growth of special types of properties that have developed over the years.

We can take claim for one more thing that has caused a little more equity. The province has assessed all the properties in this province. This was not the case when it was under municipal jurisdiction.

9:30 p.m.

I hope I have covered most of the issues. The member for Brant-Oxford-Norfolk mentioned the issue of the township of Onondaga. We are still looking at it, and I will once again personally look at it to see if there is anything that can

be done. He indicated the main problem was with the education costs. As he knows, and this is the background of the problem, the factor that the Ministry of Revenue provides for the municipality is not particularly the same factor that is used for the apportionment of school costs.

I do appreciate the compliments that came forward from that member, but I cannot agree at all with his conclusion, and I have refuted it statistically, that the system we now have is a fantastic, monstrous, costly procedure. I think I quoted those words verbatim.

One other suggestion has been made to me in the last few days and was alluded to by the member for Waterloo North; it has to do with section 6 of the bill, the one where there is a postponement in the settlement—or no refund, in other words—of taxes until the appeal procedure has been finalized.

Within this bill, we do not in any way acknowledge the payment of interest on the part of anybody. Frankly, I do see some equity in this situation, in that if a municipality has taxes owed to it, it charges interest. Similarly, I think it is fair and equitable that if a municipality ultimately is deemed to owe moneys that it finally loses, let us say, after the appeal process, possibly the payment of interest is also equitable.

I am told that this should not be addressed, and quite rightly, in the Assessment Act per se, because interest rates, as they are charged or would be paid by municipalities, are addressed, quite properly in my view, in the Municipal Act. I will draw this particular situation to the attention of my colleague; as a matter of fact, I will indicate tonight to the honourable members that I am prepared to recommend to my colleague the Minister of Municipal Affairs and Housing (Mr. Bennett) that he should look very seriously at that particular equity and take it under advisement to include a possible amendment in the Municipal Act at the earliest opportunity. I do think it is fair and reasonable that something works the same both ways, but I am advised this should not be in the Assessment Act, which we are dealing with tonight.

Motion agreed to.

Ordered for committee of the whole House.

INCOME TAX AMENDMENT ACT

Hon. Mr. Ashe moved second reading of Bill 138, An Act to amend the Income Tax Act.

Hon. Mr. Ashe: Mr. Speaker, this bill to

amend the Income Tax Act will enable low- and fixed-income earners to claim a temporary home heating credit for the next three years. It will also change some of the administrative provisions of the act.

The new tax credit is a complementary part of the program to provide temporary assistance for home heating costs that was announced by the Treasurer (Mr. F. S. Miller) on June 23, 1981. The temporary home heating credit will absorb some of the impact of increases in home heating costs that low- and fixed-income taxpayers are likely to incur over the next three years.

Individuals under age 65 who own or rent their homes will be able to claim the home heating credit by filling out the Ontario tax credit form in their income tax returns for the 1981, 1982 and 1983 taxation years. The maximum amounts of the credits will be \$60, \$40 and \$20 respectively.

Because the credit is geared to the income of taxpayers, the basic credit will be reduced by one per cent of the individual's taxable income for the year.

Every effort has been made to keep the temporary home heating credit program simple. No receipts need be kept or filed. If a taxpayer qualifies for the property tax credit, he or she may be eligible to receive the temporary home heating credit.

The temporary home heating credit program will ease the transition to higher heating costs for Ontarians receiving low or fixed incomes. The credit program will be phased out gradually over three years. During that period, some 830 households will benefit from the program. This home heating credit program will reduce personal income tax revenues by some \$33 million during fiscal 1982-83 and by some \$63 million over the next three fiscal years.

Other amendments in this bill will bring the administrative provisions of the Income Tax Act into line with corresponding provisions in the federal Income Tax Act. Ontario imposes its own personal income tax but, as all honourable members know, this tax is collected and administered on behalf of the province by the federal government.

Under the terms of the income tax collection agreement, Ontario is obliged to have the same or similar rules as the federal government for collecting and administering its personal income tax. The amendments will not only preserve the uniformity of the administrative provisions of the Ontario and federal Income Tax Acts but

will also simplify the administration of these acts and relieve taxpayers from regulatory requirement.

None of the proposed changes involves any major change in the administration of Ontario's Income Tax Act.

Mr. Haggerty: Mr. Speaker, I want to address myself to Bill 138, An Act to amend the Income Tax Act. We do support the bill in principle. It does indicate that the provincial government is paralleling federal legislation.

The Ministry of Treasury and Economics press releases dealing with the energy tax rebate given to the old age pensioners mention that the government will not allow price escalation of home heating fuels to pose an insurmountable adjustment problem for low-income Ontarians.

Section 3 of the explanatory notes of the bill says: "The amendment enacts the home heating tax credit announced by the Treasurer on June 23, 1981. The temporary credit applies to only 1981, 1982 and 1983 taxation years and is equal to the amount by which \$60 in the 1981 taxation year, \$40 in the 1982 taxation year and \$20 in the 1983 taxation year exceeds one per cent of the taxable income for the relevant taxation year of the principal taxpayer entitled to claim the credit."

If I interpret that section correctly, it says only the principal taxpayer is entitled to claim the tax credit. I would like a definition of the terminology that the minister is trying to convey to the members on this side. What bracket are we looking at in terms of low-income earners? Is it the \$4,000, \$5,000, \$6,000, \$7,000 or \$8,000 bracket? What is the figure? What are the criteria that the minister has established for low-income earners?

Are we talking about persons who are receiving general welfare? Are we talking about persons on mother's allowance? Are we talking about persons on a fixed disability income? Are we talking about a person who may be getting a little bit above general welfare from the Workmen's Compensation Board or the Canada pension plan? Are we talking about this particular area of low-income earners or are we just talking about persons who are 65 years of age and older? I am not quite sure of the point the minister is trying to drive home to us.

9:40 p.m.

Mr. Stokes: What is \$60 one per cent of?

Mr. Haggerty: It's \$60 plus one per cent, whatever that may be.

Mr. Stokes: It's \$6,000.

Mr. Haggerty: Six thousand? I do not know.

The Acting Speaker: Order.

Mr. Haggerty: What is it going to be in the year 1983? What happens beyond 1983, when we know that the price of crude oil as set by the federal government and the oil-producing provinces probably will increase again? Are we just concerned about the next two or three years and nothing beyond that? We know that the price of energy for heating a home, such as electricity, natural gas and oil, is going to go up continuously in many areas year after year. We are looking at nine per cent this year for hydro, which is a substantial increase.

I do not know where these people are going to get sufficient funding. It is suggested here that by 1983 they will be paying \$400 more to heat a home than they are now. I do not whether it would be wise to just cut this off at that time. The year 1985 may be an election year, and I suppose we can look forward to more promises that something will be given to people to help subsidize their huge heating costs.

I suggest that the minister is not quite clear in this area, and I think we should spell out in more detail what we are talking about so we all have a clear understanding: \$60 plus one or \$40 plus one or whatever it may be, I am not quite sure; but if I am correct in my interpretation of the statements the Treasurer has made, he definitely is speaking about adjustment problems for low-income Ontarians.

I just want to make sure that I and other people in Ontario understand clearly that it will have some bearing or some effect on all low-income people in Ontario. That is a question I want the minister to respond to. But we do support the bill in principle.

Mr. Charlton: Mr. Speaker, I will say at the outset that we are going to support Bill 138, but we are going to support it very reluctantly for whatever little assistance this bill will give. And believe me, it is very little.

In relation to the questions that were just raised by the member for Erie, the basic numbers in this heating tax credit are the same as those we dealt with and passed for senior citizens on Monday night: \$60 in the first year, \$40 in the second year and \$20 in the third year.

But let us look a little more closely at this piece of legislation. The credits in this bill will be reduced by one per cent of the taxable income of the applicant so that someone who has a taxable income of \$6,000 will get no heating tax credit at all; yet someone in this province with a taxable income of \$6,000 is obviously living far below the poverty level. Someone with a taxable income of \$4,000 will

get a tax credit, not of \$60 in the first year but of \$20. Someone who has a taxable income of \$2,000, somebody who is so far below the poverty level that he is probably having difficulty just staying alive, will get a tax credit of \$40, not \$60.

In the second year of the program, someone with a taxable income of only \$4,000—and that is after another full year of inflation, which has been running above 10 per cent, and inflation in the home heating sector is certainly far above 10 per cent—will get no credit at all. Someone with a taxable income of \$2,000 will get a tax credit of \$20 in the second year of the program.

The only people who will qualify for any credit at all in the third year will be those with taxable incomes of less than \$2,000.

So while we have a bill that talks about low-income people, the government does not use its own figures and provide this credit to all the people it defines as having low incomes. Even those in the low-income category to whom it does provide the credit do not get the whole credit. In the first year they have to have no taxable income at all to get the whole measly \$60, and it gets worse in the second and third years of the program.

We support the bill simply because we would like to get these dollars for the very few people in the province who will be eligible for them. But it is a program with a very sick excuse for a home heating tax credit in a day and age when families are paying \$600 a year at the very best to heat their homes, and in many cases are paying \$1,000 and more.

We are talking of a maximum credit to low-income people of \$60 if they have no taxable income at all. For the majority of low-income people in the province, it will more than likely be \$40 or \$20 or nothing at all, because most certainly a husband and wife with two or three children and a taxable income of \$7,000, \$8,000 or \$9,000 are living in dire straits, but they will not get one red nickel out of this program.

I do not want to spend a lot of time on it but it is a very poor excuse for assistance to the people of Ontario in a day and age when the government admits that inflation is the key problem, and it sets up this program when inflation in the home heating sector is going to run at 25 or 30 per cent a year or better. It is a poor excuse when this government can implement such a program, for whatever public relations benefit it will provide, while totally ignoring its own

statistics on poverty and low incomes in the province.

Mr. Boudria: Mr. Speaker, I want to speak very briefly to this bill, as I spoke on the other bill only a few days ago. I guess my main thrust is the same as that stated by my colleague the member for Erie. We will be supporting the bill but we are disappointed that it does not help the people of Ontario any more than it does.

As we said on the other legislation, we feel it is unfortunate that the government has the spending priorities it has demonstrated lately. Without going into too much detail about Suncor, the jet and so forth, I just want to reiterate that although we are supporting the bill, it is definitely not enough.

People are being affected in a grave manner by this increase in the cost of fuel to heat their houses. People in the lower income bracket are in dire straits. They do need a lot more assistance than they will be getting with this legislation.

9:50 p.m.

We recognize that getting \$60 is better than getting nothing at all. But that is of very little comfort when a person is short three times that amount to pay the bills. The \$60 he receives is just not enough. When not enough is not enough, what more can one say? It is unfortunate that the government is not seeing fit, first, not to decrease those grants as the years go by, and not to be investing so much money in other priorities that would be better used in this mechanism.

Looking at \$60 for the 1981 taxation year, \$40 for 1982 and \$20 for 1983, what we should remember is what we already know, that fuel will be increasing for the next five years at quite a rapid pace. So one would think, in looking at this bill, that somebody printed it backwards. The amount of relief they should be getting should be reversed. Not that I am saying that people should only be getting \$20 this year, because that amount is too small. But whatever amount is decided certainly should not be decreasing over the next few years.

I know the Minister of Revenue was telling us on the previous bill, the one with the same grant for the seniors, that the reason why this is done this way is so that the people can slowly adjust to these new higher prices in fuel. But that is very small comfort because, as they are starting to adjust—if that word is one that should be used—the price of oil is going up even faster. So if we are looking at a \$60 grant for this year and \$40 for next year, the cost probably will have

increased by more than that grant in the next year. Unfortunately, that means every year they are getting even further behind.

Nevertheless, we will be supporting the bill. It is a very minute effort on the part of this government to help out the people who are in need in this province. In the last few months in my own constituency we have seen a tremendous increase in the welfare rolls and the unemployment rolls. We have the town of Hawkesbury, which has been subjected to massive layoffs at the Amoco Fabrics plant and several other plants in the area. All this is to say that this winter is not going to be an easy one for my constituents.

The residents in my area are going to be in quite serious difficulty this winter in trying to make ends meet. We do not think this plan is enough to assist them. Having said that, I will acknowledge that those who will be receiving the \$60 will find that it helps. Of course, as I mentioned in the previous bill, to receive that in May or June, or whenever they are going to get their refund, is not going to help them when they try to pay their December or January heating bill. By the time they get their refund it probably will be 80 degrees outside.

One good thing we are hearing is that the government is trying to implement this without creating more cheques, as the member for Erie was referring to a minute ago. At least we know there will not be a whole series of cheques, and therefore there will not be all that administration which has caused chaos in the senior citizens' tax grants. So there is some relief there. We are glad to hear we will not have to go through that nightmare again.

On the negative side, of course, I repeat that the residents will be getting the cheques when the winter is completely over. Those who do file at the last minute, for all kinds of reasons, probably will get the cheque when it is 80 degrees outside. It will not do much good there for the residents to buy their groceries at the end of the week, if they are short of money, or to pay for their heating bill. By then their heating bill would have eaten up more than \$60 in interest charges and unpaid bills alone. As it has been said by my honourable colleague the member for Erie, it would not even cover the equal billing. We do not think that it is enough, and we would certainly welcome the government putting more money into that plan at a later date if it sees fit to do so.

Hon. Mr. Ashe: Mr. Speaker, I will try to be

brief, as the honourable members opposite have been.

As has been acknowledged, virtually all the points were really touched upon on Monday night in relation to the Ontario Pensioners Property Tax Assistance Amendment Act; that is to say the \$60, \$40 and \$20. As I indicated then and will indicate again, it was never intended or suggested by the Treasurer that it was going to pay all of the heating costs or even the increased heating costs for Ontario residents. It was to be a program that could be added to existing programs—that is the case, without any additional administrative costs—of a temporary and albeit small nature to just cushion the blow of adjusting one's thinking and one's pocketbook.

Again I acknowledge, as has been pointed out, that prices are going to go up, not down. But that really is not the basis behind the program. The very important aspect of the program, as I indicated in the pensioners property tax grants earlier in the week, is that they are going to be added to an existing program and an existing cheque. Similarly, this is just one additional component to an already fairly generous tax credit program for taxpayers when they are filing the Ontario portion of their federal income tax, known as the Ontario tax credit.

It is designed, as are many programs, to benefit those at the lower end of the economic scale more than others; there is no doubt about it. If you get into any kind of income in the middle range, you lose the credit; there is no doubt about that at all.

I think the member for Erie's questions have already been answered by others. The arithmetic is right there. We have the grant on this coming tax form, which is based on this year's income. We start out with a \$60 credit. The principal wage earner in the home—the one who earns the most money—starts out with \$60 and deducts from it one per cent of the taxable income.

I think that is the significant key. We are not talking about total income; we are talking about taxable income. People can have, depending on their exemptions and their other deductions and dependants, \$8,000, \$10,000 or \$12,000 of income per year—which is not substantial in today's economy, that is for sure—and have substantial deductions from that income and end up with a taxable income that is little or nothing. They will get a few other dollars added to the present tax credit program.

The other amendments—of course, nobody mentioned them—are significant in nature and

go along with the federal government in our tax collection agreement to have our Ontario tax portion administratively in line with the federal programs and definitions.

Motion agreed to.

Ordered for third reading.

10 p.m.

House in committee of the whole.

ASSESSMENT AMENDMENT ACT

Sections 1 to 5, inclusive, agreed to.

On section 6:

The Deputy Chairman: Mr. Epp moves that section 36(6) of the act, as set out in section 6 of the bill, be struck out and the following substituted therefor:

“(6) No assessment shall be increased, reduced or otherwise altered until all complaints, appeals or other proceedings concerning the assessment have been finally determined and disposed of; and where the result of the final determination and disposition of such complaints, appeals or other proceedings increases, reduces or otherwise alters the assessment, the taxes levied and payable with respect to such assessment shall be adjusted accordingly; and any overpayment resulting from such adjustment shall be refunded by the municipality together with interest at the rate charged by the municipality for nonpayment of taxes calculated from the day on which the assessment review court decision was given.”

Mr. Epp: Mr. Chairman, I appreciate the remarks the minister made earlier that he feels—and he has been so advised—that this should be part of the Ministry of Municipal Affairs and Housing amendment, something in the Municipal Act. Although in the past it may have incorporated some of the amendments regarding finances and pertaining to the Assessment Act, I do not see why a matter that deals with assessment and interest is inconsistent in the same act.

Essentially, the Assessment Act deals with assessment, and that eventually leads to the paying of taxes. In this case, we are talking about giving some kind of reward to those taxpayers in the province who have to appeal their cases and whose cases then exceed the time it takes to go to the assessment review court. In other words, if an appeal is made beyond that point, we are saying some reward should be made in terms of interest to those taxpayers who, in the final analysis, successfully appeal their particular property.

Mr. Haggerty: Mr. Chairman, I rise in support of the amendment put forward by my colleague in relation to section 6. I notice in the background papers, which the minister was good enough to forward to me, that the reason for the amendment is that it would give the time for the municipality to pass on the taxes owing on an appeal to the property owner.

Why would the minister want to bring in that particular change when it has not caused too much difficulty under the old Assessment Act, where after the first appeal, if there was an adjustment to be made in property tax and a rebate to be given to the property owner, it would be given at that time.

The other area we looked at was the amendment to section 36(6), relating to the matter of sections 6, 7, 8, 9, 10, 11 and 12 of the bill being retroactive. Why did the minister want to make this section retroactive? What complaints has he received since last year as to the number of problems this section has created? Is there a need to make it retroactive?

If the act was wrong before, and an appeal was made and the property owner was successful in winning that appeal, the minister should not have the right to say to him, “Now you have won your appeal, but by legislation you have not.” That is the wrong approach for any government ministry to take, to say, “Regardless of what you do, whether or not you win in the courts, it does not mean anything because we will legislate it out.” That is what the government is doing here.

If an error has been made or a correction is required under the act, it should be done under the normal procedure, that is, the government brings in an amendment and from that day forward it should apply, but it should not be made retroactive. I detest that section. There is no need for it. I do not think there have been enough appeals in this area to warrant such legislation or amendments to these sections.

The amendment put forward by my colleague is good. It gives the person who appealed his assessment, if there is a rebate coming back, a fair settlement of the money owing to him. He will collect interest on it. If a property owner is behind in his taxes, as the member has indicated, the municipality has a right to collect about 19.5 per cent on back taxes. If an appeal goes through different stages, about four stages, it can go on for a period of two, three or four years. That is a long time for a property owner to wait to be reimbursed for something he was overcharged for, perhaps because of a miscalcu-

lation in an assessment notice or an assessment practice.

The minister said earlier that this should be a matter for a different ministry, perhaps the Ministry of Municipal Affairs and Housing, and there should be an amendment to the Municipal Act. I do not think that is good enough. It should be covered under the particular section of the Assessment Act, as indicated by my colleague. I strongly support him on that.

If I read all the information before me, there are maybe one or two cases where the assessors have lost their day in court. I do not think the minister has enough cases to warrant this type of legislation, and to back up his argument that the amendments should be brought in now and for him to say, "We were wrong, but now from this day forward, we are right, and we will make it retroactive." I am strongly opposed to that type of legislation.

Mr. Charlton: Mr. Chairman, I have great sympathy for the amendment moved by the member for Waterloo North. I suggested a minor wording change to him, which he has accepted, and I appreciate that. The minister has raised the question of whether this is the proper place to put this amendment or whether it should be under the Municipal Act, where the taxing authorities and penalties are set out. I am in the unfortunate position, as are many members tonight, of not knowing; I do not have a copy of the Municipal Act with me. I was not aware of the amendment until some 20 or 25 minutes ago. I am at a loss to know what the correct thing is for us to be doing in relation to this amendment tonight.

10:10 p.m.

I have no question in my mind about the intent of the amendment, which should result, either here or in the Municipal Act, in changes to the process. The minister has given us an undertaking that he will recommend it to his colleague the Minister of Municipal Affairs and Housing (Mr. Bennett). Unfortunately, we are in the position of putting this change in the appeal process into place for the Assessment Act, and we are not sure whether the Minister of Municipal Affairs and Housing will come forward with the appropriate amendment before the end of this year to have it in effect for the next round of appeals at which this new process will govern.

I am in a bit of a bind, as are many members, because I take the minister at his word that he will recommend the change to his colleague.

Our simple problem is that everybody seems to agree the intent of the amendment is fair and warranted, but we have no way of knowing for sure, standing here tonight, whether his colleague is going to bring in the amendment in time to affect the process for next year.

It leaves us all in a bit of a bind, and I am not sure whether it is even appropriate to deal with voting on this amendment this evening until we can get some kind of statement from the Minister of Municipal Affairs and Housing in terms of his intention and timing, so we can know how to deal more effectively with the amendment that is before us now.

Hon. Mr. Ashe: Mr. Chairman, regarding the amendment that was brought forward by the member for Waterloo North, I tried to indicate on second reading, once I found out that this was going to be forthcoming, that it was too bad he did not make me aware of it before this evening. I could quite possibly have had much more than my personal undertaking vis-à-vis the Municipal Act, but because it was sprung at the last minute, I cannot do that.

As I indicated on second reading, and I will put it on the record again to assure the members for both Hamilton Mountain and Waterloo North, I have some sympathy for the equity that is suggested and proposed in this amendment, but it is in the wrong piece of legislation. On that basis, I cannot support the amendment to this act.

I will recommend the amendment, particularly as it was amended by the honourable member for Hamilton Mountain, vis-à-vis when the interest rate would start to accrue; namely, after the decision of the assessment review court. That is the nature and the timing that I will suggest to my colleague the Minister of Municipal Affairs and Housing. It is true I cannot guarantee that he will take my advice, but I can assure the members that I will bring it forth to him not only as a suggestion but as a recommendation. Unless there is some other reason that escapes us all tonight as to why it cannot go forward, I am quite confident he will give it serious consideration and bring it forward at the earliest opportunity.

As far as the amendment to section 6 of this bill is concerned, I am afraid I cannot support it because it would be completely inappropriate, if not illegal, to have that kind of interest suggestion within the Assessment Act.

Mr. Chairman: Those in favour of Mr. Epp's amendment to section 6 will please say "aye."

Those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Section 6 agreed to.

Sections 7 to 26, inclusive, agreed to.

Bill 142 reported.

On motion by Hon. Mr. Wells, the committee of the whole reported one bill without amendment.

THIRD READING

The following bill was given third reading on motion:

Bill 142, An Act to amend the Assessment Act.

STANDING COMMITTEE ON PROCEDURAL AFFAIRS (continued)

Resuming the adjourned debate on the motion for adoption of the third report of the standing committee on procedural affairs on agencies, boards and commissions.

Mr. Williams: Mr. Speaker, I appreciate the opportunity to participate in the debate on this important third report of the standing committee on procedural affairs. While reviewing the report in some depth, I realized it would be with some difficulty that I could address myself to all the important topics raised in the report within the time parameters available to me.

I had wanted to speak at some length with regard to the Ontario Educational Communications Authority. However, I realize my colleague the member for St. George (Ms. Fish) did a more than adequate job in that regard the other evening and addressed in a great amount of detail some of the criticisms that had been directed with regard to the operations of that authority. She clearly put into perspective some of the positive efforts and results of the activities emanating from the communications authority. I felt it would not be necessary to elaborate further this evening with regard to that particular aspect of the report.

I know, as well, considerable time was spent with regard to addressing the committee's concerns about the operations and procedures of the Ontario Northland Transportation Commission. That was more than adequately addressed by the Minister of Northern Affairs (Mr. Bernier) the other evening. I feel there is no need to comment further on that part of the report.

While I was torn between speaking to the recommendations dealing with the Ontario Labour Relations Board and the Liquor Control

Board of Ontario, I thought I would come down between the two and speak to the third important agency that received consideration by the committee; namely, the Ontario Lottery Corporation.

10:20 p.m.

This agency has assumed a very high profile in the minds of the people of Ontario in recent years—in fact, since the inception of the lottery program in the province. So it should, given the fact that so many people in Ontario are involved in such a personal way in the cause célèbre of the corporation. It is interesting to note that, in speaking to the activity highlighted in the report, some of the members of the Legislature have been less than complimentary in some areas, but, I think, without really being able to justify some of the criticism they have directed towards the corporation.

First and foremost I would like to compliment the board of directors of the lottery corporation as an independent agency on the way in which it has been governing itself and conducting its affairs since its inception. They have done a commendable job in carrying out the mandate of the corporation in a fashion that I think has gained the respect of the citizens of Ontario from all quarters.

In the time left available to me this evening I would like to start to address some of the recommendations set out in the committee report that pertain to the lottery corporation. The committee saw fit to put forward four specific recommendations to the members of the assembly for our consideration and action. Again I have to compliment my colleague the member for St. George for the manner in which she addressed at least three of these recommendations in her comments before the assembly the other evening. I will speak to those very briefly, without elaborating beyond the information she brought before the assembly, perhaps to confirm some of the findings contained in the factual information she laid before the members that evening.

Before doing so, however, I must say that I share some of the concerns and reservations expressed in the report about the suggested expansionist tendencies of the lottery corporation. Some members of the Legislature have alleged that the corporation, and I emphasize that this has been done without any factual substantiation, is moving from the four lotteries that exist within the province today—two of which, I guess, are under the direct supervision and control of the lottery corporation—and into

other types of lotteries. I think this rumour and those allegations were put to rest the other evening when the member for St. George simply and succinctly indicated that this government had no intention of expanding the lottery programs in Ontario beyond those at present in place.

I have to disagree with the general observation made in the initial part of the committee's findings which suggests that the lottery corporation was set up simply to head off the out-of-province lotteries that were draining off the moneys of the people of Ontario into other jurisdictions. I think this approach looks only at one element of the overall situation and really does not address itself to the fact that the lottery corporation was set up, as the report concedes, for the much more positive purpose of generating revenue for the Ontario government by tapping the discretionary income of consumers. Of course, the purpose of generating this revenue is for very well-intentioned social programs and undertakings that are for the benefit of all the people of Ontario.

So the suggestion in the report that the corporation was put in place simply as a defence to keep out the other offshore lotteries, if I may use that term, really looks at only one side of the issue. The more positive and substantial part of the involvement of the corporation under the initiatives of this government is to generate discretionary revenues that can be put to good social use for the benefit of all the people of the province.

It is in the context of this second positive element that I wanted to take some time to address the Legislature, but given—

Mr. Speaker: I would ask the member for Oriole to adjourn the debate, please.

Mr. Williams: Given the fact it is now 10:30 of the clock, I think this would be an appropriate point in my address to the assembly to adjourn the debate for another day.

On motion by Mr. Williams, the debate was adjourned.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, as I said this afternoon, I would like to indicate the business for the remainder of this week and for next week.

Tomorrow we will continue with the estimates of the Ministry of Northern Affairs.

Next Monday afternoon, November 16, there will be debate on motion 31 on the Notice Paper

standing in the name of the member for York South (Mr. MacDonald); in the evening we will continue with the estimates of the Ministry of Northern Affairs.

On Tuesday, November 17, we will consider legislation in the following order: resuming committee of the whole on Bill 68 in the name of the Solicitor General (Mr. McMurtry); second reading and committee of the whole, if needed, on Bills 143, 144 and 145 standing in the name of the Minister of the Environment (Mr. Norton); second reading of Bill 160, followed by committee of the whole on Bills 2, 53, 93 and 160, if required, standing in the name of the Minister of Transportation and Communications (Mr. Snow); and second reading of Bills 162 and 163 standing in the name of the Minister of Consumer and Commercial Relations (Mr. Walker).

10:30 p.m.

On Wednesday, the usual three committees may meet in the morning: general government, administration of justice and resources development.

On Thursday, November 19, in the afternoon we will deal with private members' ballot items 17 and 18 standing in the names of the member for Kent-Elgin (Mr. McGuigan) and the member for Welland-Thorold (Mr. Swart); in the evening, second reading of Bills 147 and 115 standing in the name of the Minister of Municipal Affairs and Housing (Mr. Bennett) followed, if time permits, by second reading of Bill 123 standing in the name of the Minister of Health (Mr. Timbrell).

On Friday, November 20, we will continue the estimates of the Ministry of Northern Affairs.

Mr. Speaker: Pursuant to standing order 28(b), I deem a motion to adjourn the House to be made and we will now hear from the member for Downsview (Mr. Di Santo), who has indicated he was dissatisfied with an answer from the Minister of Labour (Mr. Elgie).

WORKMEN'S COMPENSATION

Mr. Di Santo: Mr. Speaker, I was and still am dissatisfied with the answer given by the Minister of Labour, because the questions asked him were very serious questions.

He said he knew about the letter that the Workmen's Compensation Board sent to 11,000 injured workers, upsetting them without reason. The minister said in a letter to the legitimate representatives of the injured workers, the Association of Injured Workers' Groups, that he is not willing to receive them at this time but

that in January he will let them know what time he can set up an appointment.

This means, in effect, that for the Minister of Labour at this point there is no legislative action in process. Therefore, the letter of the Workmen's Compensation Board represents an undue interference in a process that does not even exist.

The Minister of Labour at least should have told the Workmen's Compensation Board to wait until the new legislation is passed. The new legislation, as I said yesterday in my question, has been rejected. The draft legislation attached to the white paper has been rejected by the Ontario Federation of Labour, by several unions and by the groups of representatives of the injured workers. It has been rejected on a solid basis.

I mentioned the basis of the rejection to the Minister of Labour. They do not accept the way the temporary compensation benefits are set in the legislation. They do not accept the dual system for permanent disability, the system of benefits for widows, the lack of any adequate cost-of-living allowance and, above all, the way the injured workers who are receiving benefits under the present system will be treated under the new system.

For the Workmen's Compensation Board to say no one will receive less than he is receiving now is totally false. The minister should realize that. I think he should direct the Workmen's Compensation Board to withdraw the letter, and he should think twice before introducing that kind of legislation.

I want to suggest to the minister that he should go further. He should take immediate action on the basis of the suggestions, opinions, briefs and submissions that several groups have made to him. That reform is urgent is underlined, as I said, also by the chairman of the Workmen's Compensation Board. I hope the minister takes into account what he said. Mr. Alexander said they cannot operate because the present system is anachronistic and needs overhauling. He also said that he would like a lot of things but he cannot get them.

For those of us who are dealing every day with the frustrated injured workers, we know what that means. It means benefits cut without notice. It means pensions rescinded without any justification at all. It means benefits that should be received under section 42(5) are not received. It means rehabilitation assistance is not given.

Above all, it means many injured workers who are receiving pitiful pensions cannot get

back into the labour market, because there is not a decent mechanism to make it possible for them to get back and make a living from their work. The basis for the present system is the protection of the employers, not the protection of the injured workers.

We have been advocating for many years, and we will be advocating again and again, that a system of universal coverage should be introduced in this province so that injured workers may be treated like human beings, not like used cars, as they are treated now. If there is a universal system of insurance, we know the injured workers will get back to work. If they cannot get back to work, at least they will be compensated as a result of the accidents, whatever they are.

Hon. Mr. Elgie: Mr. Speaker, first of all, I want to express my sincere gratitude to the members of this Legislature who have turned out in such large numbers, not only to pay tribute to the problem, which is one we all have a common interest in, but also to pay tribute to the member for Downsview, who has long been known as a diligent fighter for the rights of injured workers.

I think that he and I could agree quite honestly, in a quiet room out of the rhetoric of this lovely institution we all love so much, that there is probably not too much difference in what we are trying to achieve. I ask him to look back at his own paper, the task force policy paper of 1975 or 1976, and point out to me any significant differences from what has been proposed in the white paper.

But let us go back over history a bit and recall that Professor Weiler was asked to conduct a review of workers' compensation in this province. He did so. I believe the report was tabled in the fall of 1980 and received general support from members of this Legislature and the public. There was lots of time to read it, and it is a very thoughtful review of the problem with very thoughtful suggestions for implementation. Following the election, the proposals outlined in the green paper were brought together in a white paper along with a draft bill for consideration.

Surely the member for Downsview is not telling me he does not agree with a broadened corporate board with greater input from the public. Surely he is not telling me he does not agree with an external review board with representatives from labour and management as side persons. Surely he is not telling me he does not agree with the medical panel concept.

Surely he is not telling me he does not agree that workers should have a right to return to their previous jobs if they are able to do so. Surely he is not telling me there should not be an improvement in worker and employer advisers. And surely he is not telling me workers should not have greater access to their records.

What he is telling me is that he may have some difference of opinion as to whether we should consider a wage loss principle. And I understand there are those who disagree about that; that is exactly what the process we have been

going through is all about. If I responded to all the briefs I had received, I would be permanently immobilized, and I do not intend to do that. I intend to review those briefs, I intend to meet with people who want to meet with me in January, and if the member were in my position he would be dealing with it in exactly the same way, responsibly and sensitively. Out of the glamour of this institutional room, I am sure he would agree with that.

The House adjourned at 10:40 p.m.

CONTENTS

Thursday, November 12, 1981

Second readings

Assessment Amendment Act, Bill 142, Mr. Ashe, agreed to. 3451

Income Tax Amendment Act, Bill 138, Mr. Ashe, agreed to. 3464

Committee of the whole House

Assessment Amendment Act, Bill 142, Mr. Ashe, reported. 3468

Third reading

Assessment Amendment Act, Bill 142, Mr. Ashe, agreed to. 3470

Report

Standing committee on procedural affairs, Mr. Breaugh, adjourned. 3470

Other business

Business of the House, Mr. Wells. 3471

Adjournment debate

Workmen's compensation, Mr. Di Santo, Mr. Elgie. 3471

SPEAKERS IN THIS ISSUE

- Ashe, Hon. G. L.; Minister of Revenue (Durham West PC)
- Boudria, D. (Prescott-Russell L)
- Charlton, B. A. (Hamilton Mountain NDP)
- Cousens, D.; Acting Speaker and Deputy Chairman (York Centre PC)
- Di Santo, O. (Downsview NDP)
- Elgie, Hon. R. G.; Minister of Labour (York East PC)
- Epp, H. A. (Waterloo North L)
- Haggerty, R. (Erie L)
- Laughren, F. (Nickel Belt NDP)
- Nixon, R. F. (Brant-Oxford-Norfolk L)
- Stokes, J. E. (Lake Nipigon NDP)
- Swart, M. L. (Welland-Thorold NDP)
- Turner, Hon. J. M.; Speaker (Peterborough PC)
- Welch, Hon. R. S.; Minister of Energy (Brock PC)
- Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)
- Williams, J. R. (Oriole PC)

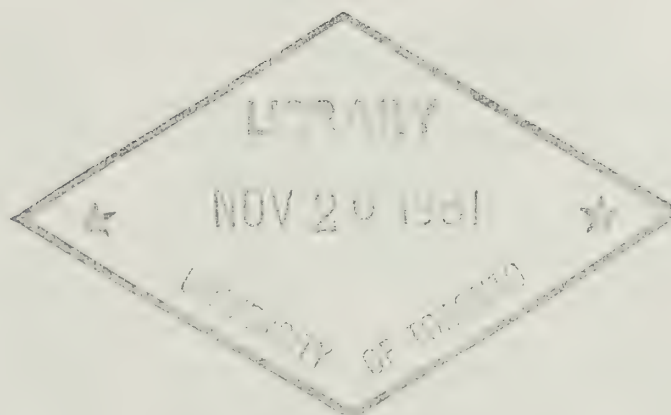


Ontario, LEGISLATIVE ASSEMBLY

No. 97

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament
Friday, November 13, 1981

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Friday, November 13, 1981

The House met at 10:01 a.m.

Prayers.

ACID RAIN

Mr. Smith: Mr. Speaker, I wish to raise a small matter to correct the record. In this morning's Globe and Mail there is an article on the subject of acid rain and the Ontario Hydro sale. It quotes me as having said that the sale will increase Hydro's new sulphur dioxide emissions by 27.9 per cent.

In fact, if one looks at Hansard one finds that this is not what I said. What I said was that "fully 27.9 per cent of Hydro's SO₂ emissions will be due to this particular purchase." In other words, it is not that emissions would increase by 27.9 per cent but rather that fully 27.9 per cent of the total emissions in 1990 would be due to that sale.

Hansard is correct in this matter, but the article is slightly incorrect.

EXTENSION OF QUESTION PERIOD

Mr. Martel: Mr. Speaker, may I ask the House to consider the possibility of extending question period this morning because of that great document—or lack of substance—that was tabled last night in Ottawa and because there are many questions we would like to raise? Can we get the unanimous consent of the House to extend question period for possibly up to half an hour to get some input from the government or some form of response to what transpired last evening?

Hon. Mr. Wells: Mr. Speaker, I appreciate the fact that my friend is not very happy with the federal budget, but I think the hour we have is adequate for a full discussion of this matter.

Mr. Cassidy: Mr. Speaker, I hear that the government House leader is not granting unanimous consent. I find it outrageous that, the day after the budget comes down, the Minister of Industry and Tourism (Mr. Grossman) is absent, the Minister of Education (Miss Stephenson) is absent, the Minister of Health (Mr. Timbrell) is absent, the Premier (Mr. Davis) is absent and, in fact, the vast bulk of the cabinet is absent and the government is not in a position to respond on the effect of the budget on the people of this province, a budget that will

have an enormous and deleterious effect on many people across the province.

Where the devil is the cabinet, and why is the government House leader not exercising stewardship on behalf of the people of Ontario?

Hon. Mr. Wells: On this point, Mr. Speaker: It is very nice for my friend to get exercised. He is trying to pull a little one-upmanship, as he always does. He knows that the Treasurer (Mr. F. S. Miller) is going to make a statement in a few minutes and that he will be here to answer and discuss this fully. There will be plenty of time next Monday for in-depth discussions with the operating ministries.

But if the member is ready to debate this at this time and is not just playing a little one-upmanship, if he is really concerned about the people of Ontario and Canada, I ask him to enter into some legitimate debate with the Treasurer.

SPEAKER'S RULING

Mr. Speaker: Before the routine proceedings, I would like to respond to a matter raised on Thursday, November 5, when the member for Ottawa Centre (Mr. Cassidy) and the member for Sudbury East (Mr. Martel) asked for direction with respect to occurrences on Tuesday evening, November 3.

I was asked to say whether I considered an attempt to raise a point of order constitutes debate, the implication being that, if not, the words in standing order 36, "the original question shall be put forthwith and decided without amendment or debate," would not exclude such action. The answer, of course, is no.

However, when I declined to hear from the member for Brant-Oxford-Norfolk (Mr. Nixon) and the member for Ottawa Centre on Tuesday night, I felt strongly that the wording of standing order 36 was so very clear that there could be nothing out of order; and the House is aware that many times my predecessors have declined to hear points of order when they were convinced that nothing was out of order.

I felt, and still feel, that it was analogous to a member who had attained the floor in a proper way moving the adjournment of the House for the purpose of putting the question under

debate out of consideration completely. I submit that on such a motion there can be nothing out of order, and the Speaker would be correct in ruling, as many have done, that he will not hear a point of order at that time.

On Tuesday night, I sensed the mood of the House was fast reaching the point of grave disorder, and I decided it best to recess for a cooling-off period and to have the opportunity of consulting with the House leaders. During this recess, I received submissions from them and, although still convinced that my interpretation of standing order 36 was correct, in order to facilitate the business of the House, I agreed to proceed, by agreement with the House leaders, to hear the two alleged points of order and to deal with them in the House.

Apparently, this willingness on my part to consult and to co-operate is seen by some as a sign of indecision. I truly regret this. However, I respectfully submit that surely it is the duty and the responsibility of the Speaker to ensure the business of the House is carried on with dignity, in a spirit of co-operation and in an expeditious manner. I submit this was not the case on Tuesday evening, November 3, and I point out to all the honourable members that the Speaker can only preserve decorum and order by having the co-operation of all members. I further submit that, had I not recessed the House at that time and sought consultation and advice, there would have been a complete breakdown, and the business of the House would have drawn to a halt.

Further, the member for Ottawa Centre, when he was allowed back in the House, made reference to the fact of his being readmitted after having been asked to withdraw from the service of the House. I remind the member that there is no lack of precedent for this action, as he may well remember, having been readmitted to the House by Speaker Reuter on June 22, 1972, after representations had been made on his behalf by his former leader, the then member for Scarborough West.

STATEMENTS BY THE MINISTRY

FEDERAL BUDGET

Hon. F. S. Miller: Mr. Speaker, yesterday evening, Mr. MacEachen introduced, on behalf of the government of Canada, his new budget. I have learned to be very careful and deliberate in my analysis of Mr. MacEachen's budgets. Given both the volume and scope of information contained in it, anything beyond general comments would be premature at this time.

I remind honourable members that items like established programs financing, while they may not be of immediate concern to the average taxpayer, can have a real impact on his or her pocketbook. Therefore, we will be looking very closely at anything in the budget affecting these programs. My staff, in fact, will be in Ottawa on Monday to meet with their counterparts. I will reserve detailed reaction until they report back to me on the results of that meeting.

I do, however, want to outline for the honourable members my general reaction in several areas. First, I believe there are a number of positive measures contained in the document. I am happy to give Mr. MacEachen credit in those areas where I believe he deserves it. My only regret is that he did not take some of those steps earlier.

10:10 a.m.

Ontario is pleased that there were changes in the marginal tax rates. In my pre-budget submission to Mr. MacEachen, I had urged that the top marginal rate should be reduced to 36 per cent at the federal level. Last night's actions exceeded my expectations, with a reduction to 34 per cent highlighting a package of marginal rate reductions. I see this as an important and needed incentive for the taxpayers of this province.

I am pleased to see that the federal government has taken at least minimal action to ease the burden on home owners. We have consistently said that interest rate problems were a federal responsibility, and we are glad to see that Mr. MacEachen has accepted this view.

At the same time, I am more cautious in my support for measures taken by Mr. MacEachen in other areas. The action to aid farmers is a welcome and positive initiative, but I am concerned that the \$50 million allocated will be woefully inadequate.

Every member of this House knows the deep concern I have for the health of our small businesses. It is indeed this sector from which much of our future job growth will come. At the moment, however, I feel there is some ambiguity about what the net effect of the budget will be on small businesses.

I also support the budget's objective of equity and recognize the need for closing loopholes in the tax system. However, I am concerned that some of their steps, like the removal of deductibility for the borrowing costs of registered retirement savings plans, may work against the benefits achieved by their lower marginal rates and affect many middle-income Ontario taxpayers.

There are certain aspects of the budget with which I am very disappointed. Perhaps my greatest disappointment is with its lack of a real economic development thrust. Despite the claim that one of the three basic themes of the budget was economic renewal, and despite the publication of a document on that purported federal economic strategy, there was little of substance. There were no specific program announcements.

We in Ontario have specific projects under the Board of Industrial Leadership and Development program in which we have invited federal participation; yet we still have no indication that this will happen.

Mr. Smith: You might have asked them before you launched an election campaign.

Mr. Speaker: Order.

Hon. F. S. Miller: We talked to them, and the member knows it.

Mr. Smith: It was nothing but an election gimmick, and you know it.

Mr. Speaker: The Treasurer will proceed, please.

Hon. F. S. Miller: The grapes are sour.

Economic development has not received any increased priority. This is despite the fact that the federal government has gained huge new revenues out of the recent petroleum pricing agreements with the producing provinces. Ontario alone will pay out \$11 billion more over the period from 1981 to 1986 as a result of these agreements. Yet there is no evidence that the new federal energy revenues are being used for economic renewal in Ontario, the hardest-hit province. I have called for the reinvestment of petroleum revenues, but that clearly has not happened. In fact, Ontario consumers will now bear a double tax burden.

I also question the wisdom of imposing a new tax burden on the Ontario economy in the way of tax increases on corporations in the coming year. This comes at a time when there is a need to increase productivity growth through increased capital investment. Yet the cash flow of the business sector will be adversely affected just when they need more funds to replace capital equipment made obsolete by rising energy prices and technology.

At this point, let me say that while I generally applaud Mr. MacEachen's desire to reduce the federal deficit, I trust that he is standing ready to undertake stimulative measures if the economy deteriorates further. Consumers are already

paying a huge tax increase from petroleum price hikes, and Mr. MacEachen should be sensitive to further erosion in consumer spending.

Mr. Cassidy: The problem is here, now—not later.

Mr. Smith: How many ways do you want to have it? Do you want Reagan or do you not want Reagan?

Mr. Speaker: Order.

Hon. F. S. Miller: The proposals made by the finance minister on the fiscal arrangements are extremely complex. This area of the budget in particular will need extensive examination of the numbers before I go to the finance ministers' conference on November 23.

One thing is clear, however: The proposed elimination of the unconditional revenue guarantee means that Ottawa is merely transferring a sizeable chunk of its deficit to the provinces. The effect on the resource-rich provinces will be much less than on the provinces that are fighting increasing deficits. Ontario, for example, has the choice of either raising taxes, reducing services or increasing the deficit.

The overall effect of Ottawa's action on these arrangements is to increase the fiscal disparities among the provinces.

I have given only preliminary comments on a few of the points raised in yesterday's federal budget. As I have said, I intend to examine these and other issues in greater depth.

ORAL QUESTIONS

PROVINCIAL ASSISTANCE

Mr. Smith: Mr. Speaker, I have a question for the Treasurer, who did not mention that Ontario could save \$650 million by the simple expedient of not signing the Suncor deal next week.

Will the Treasurer tell us whether he is now prepared to give any assistance to home owners, farmers and small businessmen, since he stated recently that he would prefer to piggyback any provincial programs on to federal programs when it comes to helping those who are hardest hit by high interest rates?

Is he willing to bring into this Legislature either a budgetary statement or, at the very least, certain programs which would add provincial assistance to the somewhat minimal federal assistance that has been outlined for home owners and farmers and the almost nonexistent assistance for small businessmen?

Hon. F. S. Miller: Mr. Speaker, I do not want to rule out any kind of action. I pointed out in my statement that the budget is quite complex;

it deals with perceptions. The immediate perception to most taxpayers is that it helps them but, if one looks below the gloss and the rhetoric, there are a number of tax moves that affect average people.

Mr. T. P. Reid: My God, they've taken a leaf out of your book.

Mr. Eakins: You've had a lot of experience.

Mr. Speaker: Order.

Mr. Smith: This is dull compared to BILD.

Mr. Breithaupt: Or keeping the promise.

Hon. F. S. Miller: We are doing it very well. Would that his party were doing it as well.

Mr. Breithaupt: We will be eventually.

Hon. F. S. Miller: In any event, it is a recognition that a change in leadership might change the direction.

My colleague the Minister of Agriculture and Food (Mr. Henderson) addressed one specific part of the honourable member's question, and I and others are looking hard—notice how the Leader of the Opposition (Mr. Smith) is listening? Notice the attention my response is getting? Is he going back to teaching when he is finished here? As an old school teacher myself, I would say he would have had detention every day.

Mr. Smith: I have had no success in teaching you. I think I will give up on it.

Mr. Speaker: Mr. Treasurer, would you please proceed to answer the question and not ask questions?

Hon. F. S. Miller: You are quite right, Mr. Speaker.

In terms of agriculture, I think the honourable member will find we will be working quite hard on programs to try to help the agriculture industry which, by themselves, would not necessitate a mini-budget.

I really want the time for my staff and myself to have a complete review of the complex detail after the Ottawa visit on Monday and after the meeting of finance ministers, I think a week this Sunday, in Halifax. Then Ontario will be able to tell better whether there is any specific need for a reaction. My impression today is that there will not need to be a mini-budget.

Mr. Smith: Perhaps when the Treasurer rises to his feet again he might address whether, if there is not going to be a mini-budget, there might at least be programs of a provincial nature to piggyback on to the federal ones to help farmers and small businessmen as well as home owners.

Given that there will be changes by virtue of

the revenue guarantee alterations which will mean that, for instance, post-secondary education might be in some jeopardy, will the Treasurer undertake that Ontario will increase the provincial contribution so that our university system can survive?

Recognizing that even if the Treasurer were to absorb the total federal cutback when it comes to the post-secondary system, Ontario's share would still be far less than it was proportionately before the established programs funding arrangement came about, and given that Ontario has taken advantage of the EPF to reduce its funding of universities below inflation, will the Treasurer agree to make up the shortfall in federal payments in this regard, keeping in mind that would still not require Ontario to return to the proportionate level of funding that existed before EPF started?

10:20 a.m.

Hon. F. S. Miller: The member has singled out, as he tends to do, post-secondary education as if the funds from the federal government were earmarked. I am sure he knows they were not. Last night, Mr. MacEachen was quite careful to say he was not changing EPF money and so left the impression that there should be no reason for the provinces to worry about the cost of health and post-secondary education, when on a net basis, according to his own figures, he is taking about \$440 million per year off our provincial revenues by the end of the fifth year. The net effect of all those tax moves and transfer changes to Ontario I think is on page 55 in the tables in one of his background books.

It is interesting to see how we compare with other provinces. If we look at the net effect on our neighbours in Quebec, it is \$25 million, the same as the net effect on Newfoundland. I found that intriguing. The net effect on Alberta was about \$200 million a year, and the net effect on British Columbia was about \$100 million. Those are all reductions. For him to imply that does not transfer a problem to me is not realistic.

The member says we kept the transfers to universities at a rate lower than inflation. That is true. But he also knows we kept the average growth rate of all Ontario spending below inflation in the interests of the taxpayers of the province, because we wanted to cut down our deficits at a time when those of the federal government were rising horrendously.

Mr. Cassidy: Mr. Speaker, will the Treasurer undertake that students, people who benefit

from health services and people who benefit from social programs in this province will not be forced to pay user fees and that the Treasurer will not make the people who can afford it least pay the cost of the \$1.9 billion the federal government proposes to take away from Ontario in terms of its proposed federal savings and provincial revenues over the next five years? I say to him, do not take that out on the poor.

Hon. F. S. Miller: I cannot yet make any such commitments, Mr. Speaker. It is great to say somebody can cut my revenue off and I should maintain all the services and not raise taxes or consider other ways of raising revenue. That is a fairy-tale world. I have to live in a world where income and outgo are roughly balanced. If somebody cuts off my sources of revenue, I may have to do something about my spending. That is the way the world is.

Mr. Smith: Will the Treasurer please explain why he feels it is so necessary to raise taxes whenever revenues go down for fear of increasing his deficit when his government has just increased the deficit 47 per cent to purchase an oil company?

Hon. F. S. Miller: We will get into the use of words at this point. I did not change my deficit by one cent with the Suncor purchase.

Mr. Smith: Your net cash requirement went up 47 per cent.

Hon. F. S. Miller: That is a different thing.

HYDRO EXPORTS

Mr. Smith: Mr. Speaker, I have a question for the Minister of Energy. I believe the minister was in the House when his colleague the Minister of the Environment (Mr. Norton) said the energy to be sold to General Public Utilities across the Lake Erie cable might not be generated from coal in a significant proportion and might come from nuclear, from hydro and from the whole grid.

Since the minister knows better than that, will he draw to the attention of the Minister of the Environment that the pricing agreement between GPU and Hydro is based entirely on the price of coal at the various coal-generating stations? Will he also draw his colleague's attention to the letter of intent, page two, which is strictly saying that significant quantities of coal-fired energy can be made available to GPU? That is what the whole agreement is about.

I ask also whether he will draw the attention of the Minister of the Environment to Ontario Hydro's input in front of the National Energy

Board last year, which I will now read to the minister: "Almost all of the electricity exported from Ontario will come from coal-fired stations. Very infrequently, at light loads, some of this electricity may come from hydraulic or nuclear stations, but almost all of the exports will be from coal-fired stations."

I ask whether he will also tell the Minister of the Environment about the testimony of Mr. McIntyre of Hydro in front of the committee last year, who said: "It is a bit ironic: We are selling power right down to the place we are buying the coal from. We are buying coal down there, shipping it up to Nanticoke, generating power with it and sending it back down." And he said: "The reason this is economical: we happen to have surplus coal-fired capacity available."

Given the fact that this deal is obviously for coal-fired electricity, can the minister explain the ignorance of the Minister of the Environment on this matter? How can it be that the Minister of Energy and the Minister of the Environment have talked so little that he still imagines the electricity might come from other sources?

Hon. Mr. Welch: Mr. Speaker, I am sure what my honourable colleague was sharing with the House is the fact that Hydro will, of course, use plants that cost least to produce electricity. We have reason to believe, on information I have received recently, that on the basis of current projections it is possible that about 30 per cent of the exports to GPU will be from nuclear energy. But I certainly do agree that a substantial percentage, the remaining 70 per cent, will come from coal-generated electricity.

Mr. Smith: Will the minister share with the House his reasons for thinking that 30 per cent will come from nuclear energy? If that substantial amount will come from nuclear, will GPU accept responsibility for the nuclear waste that is created by that 30 per cent?

Furthermore, I ask the minister whether he is not familiar with the submission of Hydro to the National Energy Board, which said: "If the definition of 'international power line' is extended beyond the last point of isolation, in Ontario Hydro's case there would be no reason in principle not to define the whole Ontario Hydro grid as an international power line."

They were making the argument there that only coal is being used for export and that Bruce was not for export. The minister will recall there was an accusation being made that the line from Bruce was an export line, and Hydro said, "Oh no, all we export is coal-fired electricity." They

said, "It would follow from such an interpretation, if Bruce were to be considered for export, that the whole Ontario bulk power system would require certification by the National Energy Board."

Given that the minister knows this deal is based totally on coal prices and is expected to be fundamentally a coal deal, will he explain to us why he thinks 30 per cent will come from nuclear and, if so, why the entire Ontario bulk power system should not be required to be certified by the National Energy Board?

Hon. Mr. Welch: As we indicated, the application for the licence for the interconnection will be before the National Energy Board, and many questions no doubt will be asked at that time. Indeed, the whole matter of economic and social impact will be before that federal body.

I am advised, and I repeat, that Ontario Hydro will seek to produce its electricity from its low-cost plants. I also repeat that I am advised that, based on current projections, it could be a 30-70 split between nuclear and coal. I also point out that, because of the policy of this government on the export of electricity, electricity customers of this province enjoy about a seven per cent benefit because of the revenues that Hydro generates through these export sales, and that will no doubt improve as a result of this one if all the approvals are obtained and a final contract is agreed to.

With respect to coal, as the honourable member will know, if by chance this agreement is not formalized and the delivery of electricity to this utility is not accomplished this way, one of the alternatives is to buy from, say, Ohio, which uses coal generation completely as its base. The environmental implications for this province from that type of activity would be quite serious.

10:30 p.m.

Mr. Foulds: Mr. Speaker, in view of the Minister of Energy's apparent and enormous attempts to be open and frank with the people of Ontario about the various agreements his ministry and its agents enter into, will the minister, in an effort to be helpful, table in this House the application before the National Energy Board at the same time it goes to the energy board, if not before?

Second, if there is an indication that Ontario Hydro plans to generate approximately 30 per cent of the electricity for this export purpose from nuclear power, is it in the minds of Hydro and the Ministry of Energy that they will expand

that 30 per cent, using the export contract as an excuse to expand their nuclear commitment over the next few years when that expansion is not necessary within Ontario itself?

Hon. Mr. Welch: Mr. Speaker, I will address both questions from my friend.

First, I assume all documentation that is part of the application before the National Energy Board is public information, but I will get some advice as to the timing with respect to that. I am addressing in particular the point as to whether some information would be available prior to the formal application. If the honourable member will allow me, I will check into the possibilities of such things as whether we would be violating anything as far as the National Energy Board is concerned. It would be my impression that all documentation submitted would be public, because it is for a public hearing.

In response to the second part of that question, all I can point out at the moment is that, based on our present projections, that should be the mix as Hydro looks ahead at the most efficient way to produce the electricity that will be needed to honour that contract.

Mr. Smith: I ask the minister again if he will table now the basis for his statement that only 70 per cent of what will be sent to GPU will be coal-generated, since all the contracts and testimony given before now have implied that well over 90 or 95 per cent, if not 100 per cent, would be due to coal. Will he table any reasons he has and give us the benefit of the understanding he seems to have that 30 per cent will be nuclear?

Will he respond to this question: If we are sending clean electricity down to GPU, using nuclear energy to produce it, are they prepared to take the concomitant waste or are we going to be stuck looking for a place to put it?

Hon. Mr. Welch: As the Leader of the Opposition knows, there is a co-operative effort on the part of this government, Ontario Hydro and the federal authority with respect to this whole question of nuclear waste disposal, and we have given reports on that from time to time.

All I can do is repeat with respect to Hydro that, as it looks ahead to fulfilling its obligations under this contract, on present projections, that happens to be the breakdown with respect to the fuel source for that particular electricity.

PROVINCIAL ASSISTANCE

Mr. Cassidy: Mr. Speaker, my question is for the Treasurer about the mini-budget. Can he

explain why he has now virtually rejected having a mini-budget for Ontario, despite the fact that the federal budget figures tabled last night indicate unemployment in Canada will rise to 7.8 per cent in 1982—it is actually higher than that now—and then to 8.3 per cent in 1983, to 8.3 per cent in 1984, to eight per cent in 1985 and maybe a bit less in 1986 and 1987?

When we are faced with almost a whole decade in which unemployment will rise to a third of a million Ontarians or more, why is the Treasurer not prepared to bring in a mini-budget now to create jobs here in Ontario?

Hon. F. S. Miller: Mr. Speaker, I was careful in answering the question. I said it was my belief at the moment that a mini-budget would not be needed but I did not rule out any other actions or programs that might be required. I think the member should give me the time I think one should take to assess the whole budget.

One thing I want to say is, if there is a glaring error in this budget, it is that the federal government did not attack the creation of jobs in this country at all. I think we both agree on that. In fact, it is cutting its cash requirements significantly during a recessionary period when most governments would be content at the very worst to keep their cash requirements level. We have lectured the federal government enough on budgetary restraints so I cannot really complain about measures to reduce deficits. But I also have to warn them they should not necessarily do it in the very year there are problems with employment.

The cash requirement cut is achieved by two measures, oil revenues and cuts in transfers to the provinces. We said these were the two techniques that really hit Ontario twice. Had they used, as we suggested in 1979 and thereafter, some of the oil revenues to stimulate the industrial economy of this country and particularly the heartland of Ontario they would have been making better use of some of those moneys.

Mr. Cassidy: The Treasurer knows by now we are faced with a federal government and a federal finance minister whose real name is Allan MacReagan because of the way he has bought those American economic policies and tried to import them to Canada.

Will the Treasurer undertake to bring in a budget for this winter which will provide for short-term job creation and which will initiate the industrial strategy for Ontario that is so conspicuously lacking in the federal budget and that will impose an excess profits tax on banks

operating within Ontario? Will he use those profits to help homeowners, farmers and small businessmen who are hurt by high interest rates?

Hon. F. S. Miller: The leader of the New Democratic Party managed to roll quite a few things into one question. He got his favourite whipping boy, the banks, into it.

Mr. Cooke: They are your friends. You are the one who defends them all the time.

Hon. F. S. Miller: They happen to be an integral part of the whole Canadian fabric. While it seems popular in the NDP to always hammer them they happen to be some of Canada's world class institutions. They earn about half their money outside this country and if they took it all it would probably take one per cent off interest rates. Let us keep our economy healthy by keeping its parts healthy in our own way.

The NDP tend to believe that any economic development policy decision should be made by a central authority. That has been a classic socialist theory.

Mr. Foulds: That's nonsense and you know it.

Hon. F. S. Miller: It is not nonsense. Every time that party wants to get into the act, that is how they want to do it. They really do not have any faith in the average businessman's ability to make good, sound, common-sense decisions for this nation. I have a lot more confidence in those businessmen than they have and I am going to keep on having it.

The Board of Industrial Leadership and Development document that is scorned so often by the NDP because it works, because it did them in, was a very good outline and plan for the development of the Ontario economy. What is most important and what was lacking last night—

Mr. Martel: Chrysler, Ford, Massey-Ferguson—you are bailing them all out. Don't give us your craptrap.

Mr. Speaker: Order.

Hon. F. S. Miller: The member has his r's and l's mixed up.

Mr. Martel: You know what kind of trap I am talking about.

Hon. F. S. Miller: He had to swallow in between. Mr. Speaker, I have lost track. As the member for Sudbury East (Mr. Martel) has done so effectively so often, he has totally derailed me—as he did the trains running in his area.

Mr. Sweeney: Supplementary, Mr. Speaker: The minister himself recognizes the moves that have been made are not sufficient to help home owners, farmers and small businessmen and to increase employment. Since he is not prepared to introduce a mini-budget at this time, what other measures do he and his officials have in mind to deal with these problems which he himself recognizes need more attention?

Hon. F. S. Miller: I tried to point out that there is a tendency in the media, the Legislature, wherever, to take a pile of documents like this—which kept me and a lot of people awake a good part of the night—and the next morning sound as if they had made a total, complete, detailed analysis of them. I started my statement by saying it will take me time to do that. Even if I make that assessment, the assumption of the members opposite of a repository of knowledge that would solve all those problems once we have analysed them is also a bit foolish. The problems are not easily solved or someone would have solved them long ago. This province has done, by the admission of all the other provinces and the federal government, the best job in the nation of managing its affairs and creating—

10:40 a.m.

Mr. Smith: That is your opinion.

Hon. F. S. Miller: It is not my own opinion.

Mr. Smith: You know we are tenth and last in this country and people will listen to that when they lose their jobs.

Hon. F. S. Miller: You tried that out for a long time. No one listened to you then, and no one will listen to you now.

We acknowledge and the federal government have acknowledged two or three measures on the housing front. First, it is going to help people who have equity in homes by having interest they cannot afford to pay guaranteed until a later date. Second, if they do not have equity in their homes, it is willing to give them up to \$3,000, I think it is, per year to help them stay in their homes. Third, it has a program, which we as yet cannot quite assess, of providing \$7,500 interest-free loans for some 15,000 rental units in Canada.

Ontario already has a program like that, often belittled by the party opposite. The federal government is copying us. What we need to know is whether they are piggybacking us, whether we are getting 40 per cent of the money, 40 per cent of the units; whether it adds

on to the Ontario program or not. For me to respond until those questions are answered is not right.

Mr. Laughren: Supplementary, Mr. Speaker: The Treasurer admitted there was no economic strategy in the budget as it would apply to Ontario and he seems to imply he is not going to bring in any kind of mini-budget. Will he tell us what kind of benchmarks he has in his own mind about the level of activity in Ontario that would motivate him to take some action? I am referring to things such as the level of unemployment and the decline of the economy in particular regions. At what point does the Treasurer have a sense he needs to intervene to stimulate the economy during this difficult winter ahead of us?

Hon. F. S. Miller: The member assumes we have never done anything. That is implicit in his question. The fact is we have done quite a bit. The Ontario budget was welcomed both last year and this. The mini-budget last year announcing the BILD program was welcomed. We have taken specific measures like the sales tax relief on automobiles, scorned again by my colleagues opposite, aimed at one of our major industry's health in the last—

Mr. Laughren: Will the minister answer the question?

Hon. F. S. Miller: I am trying to. If I do not give the member the answer he wants, I am sorry, but it does not mean it is not there.

Mr. Eakins: Will the minister take off the accommodation tax at the end of the year?

Hon. F. S. Miller: Oh, come on. There is no magic point where one suddenly triggers a lot of reactions, and the members know it. One takes measures as the time and conditions require them. One thing Mr. MacEachen said last night I agree with. I do not know whether it was by coincidence that yesterday the interest rate dropped a point and a half. I would like to think it was. It would seem the gods and the budget came together on the right day, if that was the case.

Knowing the federal government really does manage that market to a large degree, I sense maybe last week's interest rate drop could have been greater and this week's interest rate drop would not have been quite as great had market forces alone dictated them.

Mr. MacDonald: You cynic.

Hon. F. S. Miller: Am I a cynic? Do you agree with me?

Mr. MacDonald: It's the operation of the free market, you cynic.

Hon. F. S. Miller: The Liberals never did operate a free market. Here in this House they masquerade as right-wing entrepreneurs, but if they were in power the real left-wing points of view would come out, as they have in Ottawa, and as they would if they got back into power in this province.

One thing Mr. MacEachen said last night I agree with completely—

Interjections.

Mr. Speaker: Will the Treasurer please ignore the interjections and proceed to answer the supplementary. Order.

Hon. F. S. Miller: The cacophony of sound from the opposition is always an indication we are getting on track. Mr. MacEachen last night said one thing I hope the members agree with. I did, putting aside all partisan points of view. He said the most important stimulus to the economy of this country will be a reduction in interest rates.

They went down yesterday. There is every reason to believe they will continue to go down at least for the next short while and I would suggest that will have an immediate impact on housing starts. It will have an immediate impact upon people making decisions on consumer credit and a number of other areas that can have a good effect on the economy.

ASSISTANCE TO HOME OWNERS

Mr. Cassidy: Mr. Speaker, I find it ironic that the Treasurer was prepared to bring in a mini-budget last year when there was one winter of bad unemployment ahead. This winter, when there is much worse unemployment, and going ahead for six years according to the federal government projection, he is not prepared to move.

Mr. Speaker: Question please.

Mr. Cassidy: My question to the Treasurer is this: The federal program of relief for home owners will assist only some 5,000 home owners here. The federal government has prepared estimates saying 27,000 home owners will be in dire straits and will be facing 30 per cent or more of their income having to go to pay their debt, even if interest rates stay at 18 per cent. Would the Treasurer say what, if anything, the government of Ontario plans to do in order to assist that large number of home owners who will not benefit from the federal program, but who are in dire straits because the mortgage is coming due in the coming months?

Hon. F. S. Miller: Mr. Speaker, we asked the federal government to bring in some program for the people who are having the greatest problems. They brought in a program. Obviously they can increase the dollars allocated to it if they think it is working. We would do that in Ontario if we had a program that was working and required more help. I would suggest we see the effects of that program before immediately jumping in and clouding the issue.

Mr. Cassidy: How does the minister square the fact that if we get 40 per cent of the federal program, only 5,000 people in this province will be entitled to that federal assistance, and yet the government of Ontario estimates there are some 27,000 home owners who face a gross debt service ratio exceeding 30 per cent of their income? What is going to happen to the remaining people? Are they going to have to lose their homes before the government is prepared to act? Is that the policy in Ontario?

Hon. F. S. Miller: The honourable member would have it be my policy. I do not know where he gets his 5,000 figure from. It may be in there. There is a 15,000 rental unit program of which we assumed 40 per cent would come to Ontario, either in dollars or in units. That is not what we are talking about in terms of mortgages and housing. We are talking about supporting the number of people with the \$400 million the federal government put to one side to help. Those are two separate programs.

Mr. McKessock: Supplementary, Mr. Speaker: The small business development bond has now been expanded to unincorporated businesses and farmers. This bond was hard to get before, so would the Treasurer consider guaranteeing this bond, similar to the way the young farmers credit program is guaranteed? The government guarantees it at prime plus one per cent, which is more than 20 per cent, or has been. This small business development bond would only be about 10½ per cent. It makes more sense to guarantee a credit program where the government would be only risking 10½ per cent. Would he consider guaranteeing this small business development bond now so that more people can make use of it?

Hon. F. S. Miller: Mr. Speaker, in reading over the information in Mr. MacEachen's budget on the extension of the small business development bond—first for another year and second to a class of unincorporated farmers—one has to recognize he put in a new condition. That is that they be in difficult circumstances. I do

not know how one defines that. That is one of the vague terminologies that could either work with reasonable interpretation in the interests of many or make it very difficult to get any help.

I think one would have to see the availability of money in the marketplace before jumping to the conclusion a guarantee would make the difference. I suspect the farming community will welcome that. We talked to the Ontario Federation of Agriculture a couple of weeks ago on this matter. I told them that at my last meeting with Mr. MacEachen we had asked for the extension of the small business development bond to unincorporated farmers, if possible, and also to operating moneys instead of capital moneys. That appears to have been done.

10:50 a.m.

Mr. McKessock: It is hard to get.

Hon. F. S. Miller: Sure it is hard to get, but all money is hard to get. Guarantees make it a little easier but not that much easier, as we have discovered in a number of circumstances.

People tend to see the small business development bond as due to the largess of the federal government, and they forget that through the tax systems of Canada, Ontario parallels that and absorbs its share of that saving. I hope the member appreciates that. We said we would, and we are doing it. It is lost revenue to Ontario and to the federal government, which I think is a good investment in the community.

Mr. Philip: Supplementary to the original question, Mr. Speaker: Since the construction industry is now predicting a shortfall of as many as 30,000 homes this year in this province, and since this will have an inflationary effect on the cost of homes and on the size of the mortgages to be carried, what new initiatives will this government now undertake to encourage new housing starts in the province to make up that shortfall?

Hon. F. S. Miller: Mr. Speaker, I think that question should properly go to the Minister of Municipal Affairs and Housing (Mr. Bennett) in due time rather than to me.

Mr. Speaker: New question.

Interjections.

Mr. Speaker: Order. The rotation is for the official opposition.

ACID RAIN

Mr. G. I. Miller: Mr. Speaker, I have a question for the Minister of Energy. Can he assure the people of Ontario that, if the project

of putting a new cable across Lake Erie goes through, the scrubbers will be in place before the contract is signed, particularly at the generating station at Nanticoke, so the sulphur dioxide can be controlled and the people of Ontario will not be subjected to an intensification of sulphur dioxide emissions from the increased generation?

Hon. Mr. Welch: Mr. Speaker, a commitment is obviously in place that there will be the reduction to which reference has already been made. Within this time period there will be a reduction in total emissions by 50 per cent. I have no reason to believe there will be any cause for concern about that. In other words that commitment will be honoured.

Mr. G. I. Miller: Supplementary, Mr. Speaker: They are planning to put in two scrubbers at the present time at the Lambton station, and I feel that Nanticoke should have priority. Why does the minister not consider installing them at Nanticoke rather than at Lambton?

Hon. Mr. Welch: Mr. Speaker, as the honourable member will remember, the commitment is with respect to total emissions. I do not think that where the scrubbers are actually installed is as important as the commitment to reduce total emissions by 50 per cent. I think we have to keep that quite clearly before ourselves and the people of this province.

I invite the member opposite and other members of this House to tell me what other utility in North America is committed to a 50 per cent reduction of this type of emission in the 1980s. I think this is a very positive thing we should be reminding ourselves of.

Mr. MacDonald: Supplementary, Mr. Speaker: Would the minister be more specific about this 50 per cent reduction he speaks of? My understanding is that the regulations require a reduction to 450 megagrams up until 1989 and to 300 megagrams after that. Who came up with those regulations? Has there ever been an environmental assessment to determine whether they are adequate to halt the destruction of lakes? Or are we going to wait until all the lakes are destroyed in the 1990s?

Hon. Mr. Welch: Mr. Speaker, I imagine a number of factors will be taken into account in arriving at the totals. I think the important thing is that on the basis of this type of investment there will be this total reduction. I do not know of another utility in North America that has—

Mr. MacDonald: I don't care about that.

Hon. Mr. Welch: I think that is very relevant in a comparative way. We are moving very positively as a jurisdiction to respond in this way and to reach that goal, and I think that is something we should underline in a very positive way.

Mr. G. I. Miller: Supplementary, Mr. Speaker.

Mr. Speaker: That was the final supplementary.

Interjections.

Mr. Speaker: Order. There were two supplementaries to the original question which is what I—

Ms. Copps: There was the original question, a supplementary, one supplementary and then back to the original.

Mr. Speaker: No, with all respect.

ASSISTANCE TO FARMERS

Mr. MacDonald: I have a new question of the provincial Treasurer: Is the Treasurer aware that Ontario's share of the \$50 million made available last night for subsidization of farm interest rates amounts to about \$16 million? That is approximately three per cent of the outstanding agricultural debt in Ontario at the moment. The province of Quebec, through its own efforts—forget the federal government—is making available about four times as much which is \$67 million or \$68 million. Last year, before the election, when this government was looking for votes, they offered \$25 million as a subsidy and only \$5 million was spent.

Will the Treasurer give a commitment as soon as he has assessed the whole situation that at least the \$20 million that was cancelled after the election will be available to double the amount of subsidy available to Ontario farmers? Then he could perhaps add to it at a later point.

Hon. F. S. Miller: Mr. Speaker, I will not give that commitment but I am certainly looking at the problem. I am not even sure, from the way the budget read, whether the \$50 million was extra capital given to the Farm Credit Corporation or whether it was the cost of the interest subsidy. If it is the cost of the interest subsidy, it is not so bad. If it is a five per cent subsidy, which it says it is—five per cent brings the FCC rate down to 11.25 per cent—then obviously it would go 20 times as far in terms of loans, would it not?

One would have a lot more credit subsidized if the net cost of the program to the federal

government is \$50 million. That is one of the questions I would like to see resolved before jumping in too quickly.

The honourable member has brought up a good point and we are not disagreeing on this at all. I was criticized fairly severely—fairly or not does not matter—for only putting, so far, about \$42 million of Ontario's money into farm support programs, basically for beef and pork, over and above the regular ones this year. If \$42 million of Ontario's money for Ontario's farmers in two sectors has not touched their problems, what is \$50 million going to do for all of Canada and all of Canada's farmers?

Mr. MacDonald: Supplementary, Mr. Speaker: We agree it is woefully inadequate. That is another area where the Treasurer and I agree. It is woefully inadequate.

That being the case, will the government at least give a general commitment without the specifics for the moment that Ontario now must move in and do what the federal government has been unwilling to do, and what every other province across this country, in varying degrees, has already done?

Hon. F. S. Miller: Again, Mr. Speaker, I think he chose Quebec as the example.

Mr. MacDonald: Alberta, Nova Scotia, Saskatchewan—

Hon. F. S. Miller: Yes. Let's look at their fiscal capacities and where they get their money from. One of the things that keeps bothering me and my colleague, the Minister of Agriculture and Food (Mr. Henderson), is that Quebec's programs in particular are used for comparison. They appear to support their farm community very handsomely. I guess if I were going to be the recipient next year of an estimated \$2.2 billion, basically of Ontario taxpayers' money—

Mr. MacDonald: That's outrageous. That has nothing to do with it.

Mr. Speaker: Order.

Hon. F. S. Miller: It certainly does.

RETAIL SALES TAX

Mr. Haggerty: I have a question to the Minister of Revenue, if I can get his attention.

Will the minister advise the members if an amendment to the Retail Sales Tax Act or its regulations has been considered? At the present time citizens are not compelled to pay sales tax at the time of purchase. Does his ministry intend changing this to enforce the sales tax being paid at the time of purchase?

Hon. Mr. Ashe: Mr. Speaker, if and when we feel the situation is a problem, we will naturally evaluate all the options open to us, and that is one of the options that has to be given serious consideration. It is not seriously being looked at now.

Mr. Breithaupt: Supplementary: Would the minister advise how many persons have been reported to him with respect to the refusal to pay sales tax, particularly in the Peterborough area?

Hon. Mr. Ashe: I do not have an up-to-date number as of today, but unless there has been some significant change—and I would suggest if there was, I would be aware of it—the grand total is something like 20.

11 a.m.

UNEMPLOYMENT

Mr. Mackenzie: Mr. Speaker, I have a question for the Treasurer. Has the Treasurer taken a serious look at the budget's background documents and the scenario in terms of unemployment laid out for Ontario? Has he taken a look at the inflation rate of 9.4 per cent, which means eight per cent unemployment, and 10.4 per cent, which means nine per cent unemployment? Unfortunately we are probably looking at a higher figure than that, given the current situation.

With 319,000 people in Ontario already out of work and with the federal budget being a clear blueprint for additional unemployment, for more plant closures and for more people out on the street without jobs, will he tell us specifically what he has in mind in the way of job creation programs? Will he now take a look at some of the serious recommendations we made in both the full employment and industrial strategy papers where we asked for additional notice for justification of plant closures and measures that would protect workers?

Hon. F. S. Miller: Mr. Speaker, those kinds of questions were part of some of the previous ones I tried to answer. I feel Ontario did quite a bit in the last year in that direction, probably more than any other province in Canada and certainly more than the federal government. I am disappointed in its actions. It does not mean I have a large battery of programs ready to go. I have reserved any reaction until at least a week has passed and we have examined all the implications of the federal budget.

Mr. Mackenzie: If the Treasurer is really telling us he has no programs whatsoever in the

hopper, where do we stand in terms of providing employment for the workers and why can he not at least take a look at some form of protection in terms of earlier notice and plant closure justifications? Surely he is not admitting to the comment made by my colleague last night that, when he looks at a Liberal and Conservative federal budget, it is the difference between cholera and leprosy.

Mr. T. P. Reid: It's rabies you've got.

Hon. F. S. Miller: One can become rabid in here. There is no question about that.

Mr. Breithaupt: Only if you bite an NDPer.

Hon. F. S. Miller: At least it is something I can get my teeth into.

I would say we probably disagree more fundamentally as parties on some of the issues the member is touching on—that is, how much the state should do in those areas than in any other area. The idea that any of us in this country can protect our economy against lack of competitiveness in a world market is wrong. We have to recognize a lot of people in this House are buying competitive products, be they automobiles, television sets or whatever, because it costs them less. At the same time, they want to protect their sources of income. They cannot have it both ways.

Mr. Ruprecht: Mr. Speaker, I wonder if the Treasurer realizes he has a solemn responsibility to create jobs for all those unemployed in this province. That means he somehow has to deliver the new policies and programs that are essential to bring this province back to normal. I repeat what the honourable members before me have said: What does the Treasurer have in his hopper? What new policies will he deliver to this House that will get our work force back to normal?

Hon. F. S. Miller: Mr. Speaker, I think that is exactly the same question.

Mr. Ruprecht: That is precisely because you didn't answer it, and we request that you answer the question.

Mr. Speaker: Order.

PRISON OVERCROWDING

Mr. Elston: Mr. Speaker, I have a question for the Minister of Correctional Services. In the light of an article that appeared in the Toronto Star on November 8 concerning overcrowding in the Don Jail, I wonder what immediate steps have been taken by the ministry to take care of this emergency situation. Can the minister tell

us what specific measures he and his staff are working on to remedy the situation on an ongoing basis?

Hon. Mr. Leluk: Mr. Speaker, in answer to the honourable member's question, there is a degree of overcrowding, particularly in the Metro institutions. My staff and I have been addressing this problem and we are working on solutions. I wish to point out, however, that the degree of overcrowding has not jeopardized the security of these institutions. I want to assure the members of this House that we have adequately trained staff and adequate facilities to look after that aspect of our job.

We have a number of community programs in Metro, and in particular we recently opened a bail hostel here in Toronto that will relieve some of the pressure on these institutions. We are currently upgrading the security fence at Mimico Correctional Centre in Etobicoke to maximize the use of the available space at that institution to provide for up to 150 selected inmates. This will take a considerable amount of pressure off the Toronto Jail and the west and east detention centres.

We continue to meet with judges from the criminal division to make them aware of some of the alternatives to incarceration. For example, we have a number of community programs, as I mentioned earlier. We feel these community programs, together with the upgrading at Mimico Correctional Centre, will relieve the immediate overcrowding problems at the three institutions.

Mr. Eakins: Mr. Speaker, since overcrowding creates problems with the minister's staff, is he satisfied that the people working in the institutions are properly trained? It seems to me from time to time there are many people in the minister's employ who feel they have not had adequate training. Has the minister monitored the situation in the various institutions to make sure his people are being adequately trained?

Hon. Mr. Leluk: Mr. Speaker, in answer to the member for Victoria-Haliburton, we feel our line staff or correctional officers receive adequate training. Last year, for example, we spent an additional \$1.3 million in upgrading this training. We have a number of auxiliary or adjunct staff who also receive training, but maybe not to the degree the full-time staff receive. We feel in the ministry that the training received is adequate for the purpose.

Mr. Speaker: A new question; the member for Windsor-Riverside.

Mr. Cooke: Mr. Speaker, I have a question—

Mr. Ruprecht: On a point of order, Mr. Speaker: There was one question here from my colleague and then another question over there, but no supplementary was permitted.

Mr. Speaker: I will explain the procedure once again. When we are dealing with questions from private members, I allow one question, the main question, and one supplementary. I then go over to the other party and recognize a final supplementary. The third party in this case did not have a final supplementary; so I recognized the member for Windsor-Riverside with a new question.

ASSISTANCE TO VOLKSWAGEN

Mr. Cooke: Mr. Speaker, I have a question for the Treasurer regarding the Volkswagen deal, which was announced a few weeks back.

I have a document prepared by Volkswagen, dated August 12, 1981. On page four of the document, it states, "The only reason for Volkswagen to engage itself in a study of this project is the prospect of obtaining freedom of duty for importation of vehicles." It goes on to say, "Thus, Volkswagen is willing to consider such investment in return for freedom of duty at the site of its economic and operational preference."

This entire document prepared by Volkswagen concentrates on and talks about the deal that was made between the federal government and the provincial government and says it is economically feasible because of duty remission.

Can the Treasurer indicate clearly to this Legislature and to the taxpayers of the province why it was necessary to give \$9.2 million to Volkswagen to locate in Ontario when it is clear from Volkswagen that the reason it came to Canada was not for a handout from the provincial government but for duty remission? Is it not clear that the government gave it the grant for one reason: to score political points?

Hon. F. S. Miller: With voters in Germany? Come on! No.

Mr. Cooke: That is a pretty stupid response.

Hon. F. S. Miller: No, it is not. The member for Windsor-Riverside is a very strange person. He stands up and criticizes this government day after day about not doing enough for the auto industry, but the moment something happens in a place other than Windsor he has to criticize it.

11:10 a.m.

Seriously, it is very important in this world of international automobile assembly, component construction and world cars that we start getting

our share of parts manufacture for vehicles wherever they are assembled. That requires some kind of duty remission to parallel the auto pact type of agreement. That is a federal government domain.

The fact is that, even with the duty remission, we understood there were powerful incentives for them to stay in the United States and not in Quebec. Therefore, after considerable negotiation by our Ministry of Industry and Tourism, it was decided there was a need to assist.

I would rather be accused of having given away \$9.2 million for 500 jobs in Barrie than not to have them because we did not.

Mr. Cooke: No one is criticizing the government because they got 500 jobs. The fact of the matter is that they did not get them; it was the federal government that negotiated the deal.

Mr. Speaker: Question.

Mr. Cooke: I want to know clearly what the minister and his government got in return for the \$9.2 million, over and above the 500 jobs that were guaranteed to the federal government for duty remission, over and above the 85 per cent Canadian value added that was negotiated by the federal government and the 30 per cent for in-house production by 1987 that was guaranteed to the federal government for duty remission. What did he get for our taxpayers' money that justifies giving this?

Hon. F. S. Miller: First, they are in Ontario. The member knows full well that the federal government tried every trick in the book to get them to go to Quebec and almost lost the whole deal. There was a tremendous reaction in Quebec on that one basis. We had made our offer before there was any intervention by the federal government to move them to Quebec, and the member knows that too.

What do I get? I get 500 more employed people in this province, and I get my share of employed people's revenue through the tax system to help pay for the services of this province. If that is not enough for a government to expect, then the member does not understand what it is all about.

Mr. Wrye: Mr. Speaker, given the fact that the deal giving Volkswagen duty remission was concluded even before Ontario formally opened discussions with Volkswagen concerning this grant, and given the fact that to get a duty remission agreement from the federal government Volkswagen had to commit itself to go to a site it had chosen in Barrie, why was it

necessary—I will repeat it once again—for Ontario then to turn around and give the company \$9.2 million?

Hon. F. S. Miller: Mr. Speaker, I do not think the honourable member has his facts straight. The fact remains that we almost lost the deal in the final analysis, not to Quebec but to the United States.

Mr. Cooke: Oh, don't give us that! They wouldn't get duty remission for that.

Mr. Speaker: Order.

Hon. F. S. Miller: Now that it is here, it is nice to sit there and pontificate and be sure. The fact is that it almost went—and I know that; I am not just guessing that.

Mr. Laughren: On a point of order, Mr. Speaker: In view of the fact that this appears to be another example of how the Treasurer spends taxpayers' money without reference to the Legislature—

Interjections.

Mr. Speaker: Order.

Mr. Laughren: May I complete my point of order, please?

Mr. Speaker: Yes. Go ahead.

Mr. Laughren: Can I ask the Treasurer to table in this Legislature a compendium of information dealing with this entire Volkswagen deal?

Interjections.

Mr. Speaker: Order.

MENTAL HEALTH SERVICES

Mr. Bradley: Mr. Speaker, I have a question for the Minister of Community and Social Services, and I regret that I have not had the opportunity to ask this question in his estimates. It is in regard to the potential for a core residence for the severely handicapped, most particularly the mentally retarded, in St. Catharines.

Application has been made by the local association. Will the minister clarify whether the reason this has not been approved yet is that there are budgetary restraints, or is it because of an overall policy in which he wants, in effect, to avoid this kind of housing, which I guess one would call the semi-institutionalization of people. Which of those two is the reason that this has not been approved to this time? I am sorry; I know it is difficult to ask the minister about one specific instance when he has responsibility for the whole province.

Hon. Mr. Drea: It is not because of budget allocation, Mr. Speaker. I am not familiar with the circumstances of the application. I will be glad to look into it for the member, but it does not seem to me that core residences would fit into the category of a mini-institution. I will get back to him.

INTRODUCTION OF BILLS

CITY OF OTTAWA ROAD CLOSING AND CONVEYANCE VALIDATION ACT

Hon. Mr. Bennett moved, seconded by Hon. Mr. Baetz, first reading of Bill 167, An Act to validate Certain Road Closings and Conveyances in the City of Ottawa.

Motion agreed to.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, I wish to table the answers to questions 176, 180, 181, 182, 183 and 184 standing on the Notice Paper. (See appendix, page 3508.)

ORDERS OF THE DAY

House in committee of supply.

ESTIMATES, MINISTRY OF NORTHERN AFFAIRS (continued)

On vote 701, ministry administration program; item 1, main office:

The Deputy Chairman: The member for Sudbury East.

Mr. Martel: Mr. Chairman, there are a couple of issues I want to raise with my friend.

Mr. Stokes: The minister has not finished his response.

The Deputy Chairman: Did the minister not finish his response?

Hon. Mr. Bernier: No, Mr. Chairman. I had not finished my response to the two leadoff speakers from the opposition parties, and I would like to continue. I realize the member for Sudbury East has a question he would like to ask. Does he just have one question?

Mr. Martel: No, I have two. Go ahead and finish your response.

Hon. Mr. Bernier: It will take me a few minutes.

If I may go back to my remarks and respond to these two members' contributions and their concerns, particularly about the economic development that is occurring in northern Ontario, I believe the member for Lake Nipigon (Mr.

Stokes) referred to and questioned my remarks concerning sectoral economic development. I found where I had made that remark, and it related to such things as agriculture, tourism, mining and forestry, those thrusts where we are assisting other ministries in doing a number of different things in those particular fields. So it is a very broad general statement.

11:20 a.m.

The member for Rainy River (Mr. T. P. Reid) has just stepped out for a moment; he has some constituents here and he wishes to meet with them, but he has advised me he will be back to participate in the examination of these estimates. The member made a comment that the total budget of the ministry had not increased substantially.

I remind the members that while our budget this year is \$156,255,300, there is in addition to this about \$9 million of supplementary estimates, which brings the total amount for which we are asking the members' approval to \$165.6 million. That is up about five per cent over the 1980-81 figure.

Since the ministry was formed four and a half years ago, our budget increase has been in excess of 31 per cent. I think this speaks well for the way the government is responding to the unique and special needs of northern Ontario.

The member also commented with respect to the improvement of management of our resources. He made special reference to agriculture, saying there was not sufficient emphasis by the Ministry of the Northern Affairs with respect to that sector of our economy.

In these estimates, there is about \$600,000 that we flow to the Ministry of Agriculture and Food for a number of programs it administers on our behalf. That takes in a broad range of programs dealing with assistance to purchase commercial fertilizer, land clearing and breaking, purchasing of weed sprayers, assistance for fencing, educational travel and assistance for the purchase of hogs and sheep. It is a \$600,000 package that is real. In 1981-82, we are planning to give assistance in the Rainy River district of about \$67,000. This gives some idea of the thrust we are putting into the field of agriculture.

We are very much involved with the Timiskaming testing centre, agricultural technology in the Timiskaming area, which is going exceptionally well; we funded that for the last two or three years. The results of those studies are most encouraging. We are also involved with the wild rice study program, through

Lakehead University, to the tune of about \$100,000; that will be spread over a period of time.

Our involvement with regard to forest management is extensive. In 1981-82, we will have about \$6 million in that program, and in future years about \$11 million. Fifty per cent of that is recovered from the Department of Regional Economic Expansion program.

In the area of mining support, the members are aware of the funds we put into the Atikokan economic geological support. That was an aerial survey of the mineral potential in that area done along with the Ministry of Natural Resources. It was quite successful. A lot of mining activity has been accelerated by that program. That was funded by the Ministry of Northern Affairs.

In the location of suitable aggregate supply across northern Ontario, we will spend \$173,000 next year to locate possible sources of that valuable resource.

We are also involved in assistance to trappers with an air inventory of their trap lines; we will spend about \$76,000 this year or next in assisting trappers to locate live beaver houses. We will work closely with them and the Ministry of Natural Resources, which does the implementation of this program.

It can be seen from that list we are involved in a broad range of programs that deal directly with the management of our resources.

The honourable member also commented with respect to the highway budget that he thought it was declining in some instances. I wish to point out that this is certainly not the case. If anything, there has been a substantial increase in the funds that we are pouring into the Chapleau construction program in northern Ontario, through the Ministry of Northern Affairs.

Such roads as the Manitou Road, and even the Detour Lake Road, are a result of increases in the Chapleau construction program. When you look back, in 1977-78 we spent about \$46 million on highway construction, and in 1981-82 that will be up to \$72.3 million, a massive 71 per cent increase. That speaks well for that program also.

Mr. Stokes: Not so.

Hon. Mr. Bernier: Well, I would like to see it more; there is no question about that. I will never be satisfied until all the—

Mr. Stokes: Are you saying that Detour Lake Road would not have gone ahead unless you built the road?

Hon. Mr. Bernier: Yes, Mr. Chairman, we were the lead ministry in that particular project. The funds are flowed through—

Mr. Stokes: It would have gone through whether you built the road or not.

Hon. Mr. Bernier: No. I have to take exception to that comment, Mr. Chairman, because it was as a result of our insistence and our direct involvement through the lead ministry concept that the government met with the Detour Lake people. We met on a number of occasions with the local people prior to Dome coming on the scene, because we felt very strongly that there should be a major development that would see economic benefits flow to Ontario.

As you know, Mr. Chairman, Detour Lake mine is only 30 miles from the Quebec border. They have a winter road there now. It goes down into La Sarre, Quebec. There was some real possibility of that road being constructed from Quebec into Detour Lake. A week before the Premier (Mr. Davis), the former Provincial Secretary for Resources Development, Mr. Brunelle, and I went into Detour Lake, the highways minister of Quebec had been into the Detour Lake site to look at that potential.

Mr. Stokes: Quebec employees did the land clearing; is that right?

Hon. Mr. Bernier: They may be doing it now, Mr. Chairman. There is no doubt that much of the employment—

Mr. Stokes: You are using taxpayers' dollars to provide employment for the people of Quebec.

Hon. Mr. Bernier: It is an Ontario contractor; we do not direct where he should hire people to do the work. The company did tell us some of the employees who would be engaged in the project would come from Quebec because of their mining experience and their availability. There is no question about that.

It was incumbent upon this government to use everything it is empowered with to encourage the company and to put up the dollars for access into the Ontario site, which we have done.

Mr. Martel: The second lowest bidder was a contractor from the Sudbury basin, and he did not get the work.

Hon. Mr. Bernier: Labelle is doing the big part of the work, and I am particularly pleased the way my ministry handled that project.

The member for Rainy River mentioned and questioned my personal involvement in the hog

producers' problems of northern Ontario. I researched that problem. While he is correct in pointing out that their regulations, which were passed by this government, do not really apply in northern Ontario, and the Ontario Hog Producers' Association does not extend its area of influence into that area, there are historical reasons for that.

If the northern Ontario hog producers were part of the Ontario Hog Producers' Association, they could not export their product to Quebec, Manitoba or even the United States, but would have to funnel their product down to southern Ontario; up until this point in time they have individually resisted and have enjoyed the freedom of selling their product where they wished.

But I want to put on the record that if there are sufficient hog producers in northern Ontario who want to belong to the organization, and to deal with the consequences of funnelling all their product down here, I am prepared to lean on the Minister of Agriculture and Food (Mr. Henderson) to make the necessary amendments, if not to the regulations, then to the legislation. For obvious economic reasons, I do not think that will happen, but I leave that idea with the member.

11:30 a.m.

The member for Rainy River also touched on the recruitment program for the Ontario North Now staffing. I believe the member for Lake Nipigon also made some reference to the changes that were implemented this year.

As members are very much aware, that very successful northern Ontario pavilion was opened last year for the first time. It was opened for three weeks last year. We, as a ministry, had the full charge of staffing the nine pavilions. We went to northern Ontario and engaged all northerners. I might say it was very successful.

Mr. Stokes: That was last year, not this year.

Hon. Mr. Bernier: That was last year, yes. We looked after their transportation and their accommodation here in Toronto. We engaged people under the policy age of the Ontario Place itself. Many of our people at Ontario North Now were under the age of 18. It took a lot of work on behalf of our staff, and I might say that Sheila Willis, who is the director of our information branch, did a tremendous job really in babysitting that group of northerners last year; that was for a three-week period.

Then we entered into an agreement with the Ontario Place management by which they

would take over responsibility for the maintenance, operation and staffing of the whole facility. There are a number of reasons for that, because they wanted to rotate the hosts and hostesses through the various pavilions. They thought if they had control of the whole aspect it would be much easier for them.

Notwithstanding that fact, we as a ministry will monitor and have full control of the displays that are in the pavilions themselves and will encourage the communities from northern Ontario to come down and sell their communities—

Mr. Martel: You should lay the timber to them and make them say they'll come to the north.

Hon. Mr. Bernier: I am going to get to that point. This year, I have to say, I was a little taken aback by the lack of northerners in the pavilion; I have to admit that. But we did supply two northern affairs officers, who were there on an ongoing rotation basis. The various communities were there on a weekly basis to sell their particular communities. The information staff of my ministry was there on an ongoing basis to co-ordinate the activities. So there was the northern Ontario presence.

Mr. Martel: But our kids can't even get jobs in the summer.

Hon. Mr. Bernier: Not to the extent that some of the members would like to see; I accept that. But we have already made it known to Ontario Place that, as a ministry, next year we will assist them and their recruiting team to go to the two universities in the north in an effort to encourage those students who may be interested in working at Ontario North Now.

There are some drawbacks for these students. They have to look after their own living expenses and accommodation, which we did last year but which we will not do this year because they are over the 18-year age limit. They will be asked to fall in line with all the other hosts and hostesses at the pavilion. We will try to work out something that will assist them with their transportation costs. I think that is something we can do over and above the other problems that may arise.

We definitely will have the Ontario Place people in both those universities next spring to do as much hiring as we possibly can and to engage a good spattering of northern Ontario students who are familiar with the north to be present in the Ontario North Now pavilion.

That has satisfied most of the inquiries I have received from right across northern Ontario.

I was particularly pleased with the member for Rainy River's comment with respect to the peat symposium and with the enthusiasm that he and the member for Lake Nipigon expressed with regard to our initiative in getting that started, because it was something that was lying there dormant. As I said in my opening remarks, when my assistant deputy minister and I went over to Ireland, we spent some considerable time meeting with the Irish people and looking at their operation and trying to translate that into northern Ontario.

Mr. Stokes: Do you never think of your friends at all?

Hon. Mr. Bernier: I will get to that point. In fact, I think on this point the member for Lake Nipigon made mention of a project in Quebec. I have to tell him that my interest is very sincere. I was going to suggest and make the offer—

Mr. Stokes: And of course, Anticosti Island in Quebec and Buffalo Narrows in Saskatchewan.

Hon. Mr. Bernier: I thought we would go to Quebec if we could find time. I would like to send an invitation to my colleague the member for Lake Nipigon and my colleague the member for Rainy River to join me on a visit to that island to look at the Quebec operation.

Mr. MacDonald: After you get the jet.

Hon. Mr. Bernier: After we get the jet, yes. Well no, we cannot wait that long.

Mr. Foulds: The jet probably will not land there.

Hon. Mr. Bernier: No? We will take the King Air; that is pretty comfortable. If the member for Rainy River and the member for Lake Nipigon are agreeable I will follow up on those arrangements, and if we cannot do it this year we will do it early in 1982.

I appreciate your interest in that resource. It is an energy resource we all know has not been tapped. It has not been tapped for economic reasons, there is no question about it. We learned very clearly and quickly in Ireland the reason they have tapped their peat resources is that they do not have the wood resources we have, nor do they have the coal or oil we have. It was obvious this was an energy resource that really had to be tapped, not only for the energy resource but for the job opportunities that would flow from the harvesting of the peat in Ireland. It has created economic benefits, not

only from the flow of electrical power but for jobs that were nonexistent in the centre of Ireland. So I think we are on the right track—

Mr. Stokes: Five or six thousand jobs in Ireland.

Hon. Mr. Bernier: Yes.

Mr. Stokes: If they did that in northern Ontario that would be quite a leg up.

Hon. Mr. Bernier: No question. And I—
Interjection.

Hon. Mr. Bernier: Yes. I am pleased at the interest by the private sector. As many members are aware, there is a group right here in Toronto—I think they are called Peat Resources Limited—under Leon La Prairie, who has been very interested in getting some massive holdings in northern Ontario for some research work. Certain inventories have already been concluded, certainly by our involvement with the Ministry of Natural Resources and with the Ministry of Energy—

Mr. Stokes: All we need now is a peat policy in northern Ontario.

Hon. Mr. Bernier: Yes. I hope we will move ahead on that. So we have that in place, and I will certainly follow up on the visit to Quebec.

My deputy, who is retiring, asked me to extend his appreciation to both the member for Lake Nipigon and the member for Rainy River for their kind comments on his 35-year contribution to the civil service of this province. I regret he is leaving but he has served this province, this government, and certainly all members on both sides of the House, exceptionally well. I know he will be missed.

The member for Lake Nipigon referred to the sawmill situation in northern Ontario, and I share his concern. I hope this is a temporary situation where we are seeing a decline in the number of jobs, at least in the short run. I know my—

Mr. Stokes: It is temporary as it applies to markets, but it is not temporary as it applies to the—

Hon. Mr. Bernier: Yes. I will address that problem, but I want to talk about the jobs first. In my own home town of Hudson the mill is slowly winding down and we fully expect to see the plant mothballed for two or three months at least. This is due to policies of the federal Liberal government. It is because of the lack of an assault on high interest rates in Canada, which discourage building in this country, and

also the high interest policy in the United States, which is really curbing sales of lumber on the other side of the border.

My colleagues the Minister of Natural Resources (Mr. Pope) and the Provincial Secretary for Resources Development (Mr. Ramsay) and I, along with the member for Cochrane North (Mr. Piché), met with the Hearst operators just a couple of weeks ago in Cochrane to discuss their entire situation. There is no question they are concerned about their future. They are concerned about the possibility of being cut back on the sale of chips. Once the economy starts to turn down we see the effects on the paper industry, with packaging going down and advertising slowing up. All this may curb the purchase of chips from a number of the smaller sawmills and further aggravate their situation.

So it is something we have to live with, I guess, all over the North American continent. We cannot tackle it individually, although we are concerned and we will be watching it very closely from our point of view.

The allocation process—I believe one of the members referred to allocations to the sawmill industry. I had to look back, and my deputy minister brought it to my attention because he was with me when I was in Natural Resources, and we did try to address the wood allocation problems of the sawmill industry in a number of instances. I am sure the member from Sudbury will recall what we did in the Hornepayne area where we took something like seven townships away from the Ontario Paper Company to give to the Hearst operators. That was well received.

11:40 a.m.

At our meeting in Cochrane a couple of weeks ago the Hearst operators told us at this time, and at least for the next 20 years, their problem was not really directed to wood allocation but to sales of both chips and the product. In the short run that was their biggest concern, but beyond that they had no comment. My deputy and I are proud of the part we played in taking nine and a half townships back from the major licensee in the Fraserdale area and making sure Cochrane Enterprises in Cochrane was given these resources so it could put in a waferboard plant and a plywood plant. These are going to this day and will guarantee some long-term wood supplies.

In the town of Sioux Lookout we took back a sizeable chunk of timber that has been allocated to Great Lakes Forest Products in Thunder Bay and allocated those resources to a sawmill in the

Sioux Lookout-Hudson area. Those were not easy things to do, but we feel the action we took was correct. I make no apologies for what we did. The jobs that flow from that are still there today and will be for some considerable time. The allocation in those two areas is well documented and quite firm.

The member for Lake Nipigon made mention of the economic thrust and spent some considerable time talking about Design for Development and the direction we are going. Like the member for Lake Nipigon and the member for Rainy River I was around when Design for Development moved to the northwest. I did some research following our comments at our last meeting and found about 80 per cent of the general recommendations had been addressed in Design for Development. It has served its term, its decade had run out, but I think the whole thrust of Design for Development can be felt today.

A number of things really happened because of Design for Development. I am sure the members for Lake Nipigon and Rainy River will agree the infrastructure programs we brought forward following Design for Development were quite massive across the northwest. The \$33-million project that went into Thunder Bay alone had, as a direct result, improved facilities in the major urban centre of northwest Ontario. The construction of highways, the Dryden-Fort Frances highway, the improvement of Highway 599, the four resource roads, one to Valora and the one to Marchington Lake, are all part of Design for Development.

I think it is fair to say the thrust of the Department of Regional Economic Expansion—

Mr. Stokes: Designed to assist Sioux Lookout based on the resources in the riding of Lake Nipigon.

Hon. Mr. Bernier: I can tell the member the traffic from Pickle Lake uses the Marchington Lake road now on a regular basis when going to Winnipeg. In fact the member's good friend, Mr. Koval, assured me last week that his traffic has increased tremendously, as has the return on his investment, because he now has Sioux Lookout to serve on the Winnipeg-Pickle Lake run. It is very encouraging to use of the Marchington Lake road, so we are using resources in both ridings.

I think it is fair to say the major northwestern Ontario DREE agreement and the northern DREE agreement flowed directly from Design for Development. It saw some real thrust being made with respect to economic development

right across the north. We hear little but gloom and doom concerning the north in southern Ontario, but when I travel to places like Elliot Lake I see the excitement. How many members have been to Elliot Lake recently? I wish the member for Algoma (Mr. Wildman) was here because the excitement going on in Elliot Lake today is unreal. The \$3 million my ministry is putting into the sewer and water project is topping up what the Ministry of the Environment and the town are putting in. There are massive housing developments going in there.

Mr. Cassidy: For a year or more you drove them wild.

Hon. Mr. Bernier: I know the members, as northerners, share my excitement about what is happening in places like Elliot Lake and Blind River, the massive developments going on there. I ask the members to go to Timmins. Things are happening.

Mr. Cassidy: You glow with pride, eh.

Hon. Mr. Bernier: The leader of the New Democratic Party will know because he comes and visits once in a while.

Mr. Cassidy: Yes. That is right.

Hon. Mr. Bernier: And he sees changes occur on the horizon. Even some of the communities are changing their skylines because things are happening that fast.

Mr. T. P. Reid: And their members.

Hon. Mr. Bernier: And their members, yes. But I look at what is going to happen in Sault Ste. Marie—more than \$300 million by the Algoma Steel Company, a massive development. If the member for Rainy River goes to Dryden—I go home every week and I am just amazed at Dryden's changing skyline. A \$350-million development by Great Lakes Forest Products is going into that community. It will see the old mill set aside completely and a new one going up. It is exciting.

The members should go to Kenora and see what is happening in Kenora.

Mr. T. P. Reid: Layoffs—350 layoffs.

Hon. Mr. Bernier: There are going to be guaranteed jobs for 400 or 500 people there in perpetuity. With the bypass being started now around Kenora—something that we have fought to get for some 20 years—and of course the development at Minaki Lodge, it all adds to the excitement. So as you move around the north there is excitement, there are things happening that sometimes we forget to talk about and forget to relate to.

The member for Lake Nipigon made some reference to the new and exciting program, the air ambulance service. As northerners we are all excited about that. There is no question about it. To have four dedicated aircraft located—

Mr. Laughren: If you do not control your excitement, you will need the service yourself.

Hon. Mr. Bernier: Four dedicated aircraft—

Mr. Stokes: Bandage one to four.

Hon. Mr. Bernier: Yes, we have one to four. But to have four dedicated aircraft solely for the movement of those who have an emergency health need or are sick or being transferred from hospital to hospital—for roughly 100,000 people—I think is a major step forward. There is no question about it.

As the member for Lake Nipigon very rightly pointed out, it is a new program. It just started in July, and there are problems. I think he has likely heard of some of the operational problems in the north. But we have the program in place. We announced it would be a one-year experimental operational, that we would go through the four seasons and then have a six-month evaluation period where we would evaluate weaknesses and strengths of the particular program. They are starting to surface already, there is no question about that. We went to Sandy Lake and they rolled out a number of problems they found with the equipment.

But I was particularly pleased, Mr. Chairman, to be on the air ambulance inaugural flight that went into Sandy Lake and into Big Trout. We made a special point of getting the federal nursing staff down to look at the facility. Both of those groups pointed out that the air ambulance facilities were more modern and up-to-date than what they had in the ground nursing station. They would feel more comfortable in the airplane than they would in the nursing station. So I think that speaks well for the Ministry of Health and the way they equipped those aircraft.

The member for Lake Nipigon made some reference and questioned telemedicine. He wanted some information.

Mr. Stokes: There is the rub.

Hon. Mr. Bernier: No, I have the answer here. I have it right here if I can just put my finger on it.

I did some checking with the Ministry of Health and the member will be pleased to know they have \$3 million dedicated to telemedicine. The Ministry of Health has assured us the

telemedical links with northern Ontario are a first priority with their ministry. As far as the Ministry of Health is concerned the project is going ahead.

I understand that within the last four weeks the Thunder Bay District Health Council has developed and submitted to the Ministry of Health a comprehensive proposal. The Ministry of Health has indicated to us their willingness to support this proposal and is trying to work out suitable arrangements with the Port Arthur General Hospital. I hope that allays the member for Lake Nipigon's fears. The program is moving ahead.

In all honesty there has been less than enthusiastic support from my area. The Kenora doctors and the Dryden doctors have not been jumping with glee about this program.

Mr. Stokes: That is not the case east of Thunder Bay.

Hon. Mr. Bernier: I understand that is quite correct. I suspect that is because of their closeness to the major health sciences centre in Winnipeg. But it is going ahead.

11:50 a.m.

Mr. Stokes: It was the doctors who urged me to ask you about it.

Hon. Mr. Bernier: It is on track and it is moving ahead.

We talked about the economic development thrust for northwestern Ontario. I am sure the members are aware we have reactivated the Municipal Advisory Committee under some new constitutional guidelines. It reports directly to the Ministry of Northern Affairs. We have set up Commerce Northwest, that is part of the Northwestern Ontario Associated Chambers of Commerce group. It is looking at the possibility of import substitution for resource machinery and equipment in the northwest. Of course you are all aware of the northern Ontario resources transportation agreement I signed on behalf of Ontario last March in Ottawa after some urging and nudging for about a year or a year and a half.

Along with the Board of Industrial Leadership and Development program I think we can safely say there are a number of initiatives moving ahead. I would be first to agree we have a few things going and we should have more. It is certainly my job to make sure we continue to have more and we will have more. I can assure you of that because that is the whole thrust of our efforts.

I welcome the suggestion by the member for

Lake Nipigon that the Northern Ontario Development Corporation be transferred to Northern Affairs. I have said this on a number of occasions to my colleagues. It has not been received with any great enthusiasm, I might admit, but I think your assessment of our sensitivity to the needs of the northern business community is very real. I welcome that suggestion.

I noted the member's comments concerning the federal programs. I think we all share that concern about the lack of enthusiasm on behalf of the federal government. I want to get this on the record. I know the members are referring to the federal Department of Regional Economic Expansion programs and I think the member for Lake Nipigon made a good comment when he said, "We are wall to wall now with federal Liberals from North Bay to the Manitoba border, but it has not done us any good." I share that point of view.

Mr. Martel: They cut down the rail service.

Hon. Mr. Bernier: That is right. There is Via Rail, the Federal Business Development Bank which is a complete disaster, DREE. The list is endless. There is even the lack of licensing satellite television. The cost-of-living study to which the member for Lake Nipigon made reference is moving ahead with a great deal of enthusiasm. I am particularly pleased with the energy being displayed.

Mr. Stokes: Especially when your colleague the Minister of Consumer and Commercial Relations (Mr. Walker) went up to Fort Severn. He did not even know what was going on. He said there is really nothing we can do about food costs in the north.

Hon. Mr. Bernier: We are going to try. I am impressed with the enthusiasm of the chairman, Rudi Wycliffe, who has been around the north and has held literally dozens of meetings and will be holding more. He has taken hold of this project with personal pride, I think. The other people from the other ministries who are with him are equally anxious to see if they can come up with some positive recommendations. The suggestions you have made are on the record and we will make sure he is made aware of them.

About the airport program, the member made reference to the thought by the remote communities that there would be a sudden downfall or at least a maintaining of the cost of living in the north because of the development of airstrips. I do not know if you have tried to explain this to our native people in the remote

areas but the effects of inflation are very difficult to explain. Something that cost \$1 five years ago now costs \$1.50 down here. Add freight costs on top of that and it sounds unreasonable. They do not understand what inflation is all about. But the airstrip development program, I have to assure you—

Mr. Stokes: They understand it when they are paying \$5 a gallon for gasoline.

Hon. Mr. Bernier: I know the members will agree when I say the cost of living in the communities where the airstrips are located today is slightly less, not a lot less, than for the places that do not have airstrips. Take Kasabonika as a good example, and Angling Lake. There is a difference. Take Big Trout Lake, Summer Beaver and Muskrat Dam Lake, places where they do not have an airstrip. They do not have airstrips there and the cost of living is extremely high. It is less in Bearskin Lake and Sachigo Lake. To make a blanket statement that it has not had an effect is not totally correct. It has affected the cost of living.

They can get bigger aircraft in there now and they have service 365 days a year. It removes the isolation, because those of us who live in the north realize that many areas were sometimes isolated for six to eight weeks in the spring and fall and that has now been remedied. Now, with the air ambulance service moving across the north, these air strips are indeed a needed facility.

The question of the use of fourth class mail is something I am sure we will be discussing before the estimates are completed. I know the chairman of the cost-of-living study will be trying to find out what the new crown corporation is going to do with regard to fourth class mail deliveries in the north. It seems there are a large number of products being moved now, a tremendous number, and that is a godsend. I hope and pray—

Mr. Stokes: Why don't you thank me?

Hon. Mr. Bernier: I will. I am trying to do that right now.

It is an excellent program and certainly the member for Lake Nipigon has to be complimented for stirring the pot and encouraging a lot of communities, as I have done in my area, to use fourth class mail. A lot of them were not aware of it. It is something I have some nervousness about because I am sure the crown corporation will be looking at that, but they will hear from me if they do.

Mr. Stokes: Michael is our friend.

Hon. Mr. Bernier: Michael is our friend, yes. I will certainly make it known if they tamper with that program.

I want to thank the member for Rainy River and the member for Lake Nipigon with respect to The Atikokan Story. As we are all aware it was the lead ministry concept here that took the sting out of the problems in Atikokan. I am confident that with the continued thrust we have and the desire to do something in these single resource communities we can find solutions to their problems, which are different in every way. Certainly the problems of Pickle Lake will be different than those of Atikokan or Manitouwadge. I hope the time will never come when we have to address those problems.

The community of Wawa is similar to Atikokan. I have already met with them on at least two occasions to discuss what will happen to Wawa 20 years down the road. I admire that kind of thinking. We are sitting down with them and trying to work out a strategy; at least we are discussing it. That is most important because the real success of Atikokan was the people themselves. If you read The Atikokan Story they did not have a doom and gloom attitude; they did not cry wolf; they were very positive about their future and they said so. They did not discourage investment and I admire the tenacity, guts and courage of the people of Atikokan. I am sure the same thing will happen to other nonrenewable resource communities in the north.

Mr. Chairman: That concludes the summation remarks of the minister. Now I am at the committee's whim. Are we going to be moving into votes?

Mr. T. P. Reid: Resign.

Mr. Chairman: Maybe sooner than expected.

Mr. Martel: There are a few points I want to raise with the minister if I could before I leave. One deals with a Department of Regional Economic Expansion grant or part of it. I am growing increasingly upset with what is coming out of the federal government and particularly the minister responsible, the federal member for Nickel Belt. Three times she has had a story in the Sudbury Star indicating it is Ontario that is holding up the funding for that development.

Let me just give you some background. This industrial park happens to be in the town of Valley East. You will recall that about a year ago this ministry, after four or five years of negotiations, finally agreed to put up \$400,000 worth of funding as their one third share of the

development of the services for that industrial park. The federal minister had previously said if the province put its money up for the project she had hers and the regional municipality of Sudbury would have to put up the difference.

I subsequently followed this through and asked the provincial minister in June if the province had committed its money, and he indicated he was standing by his commitment. He said he had the money clear for that project and he did not have to cut back from other sources of funding to meet the commitment he made last October.

Interestingly enough the federal minister is not happy with our minister because she cannot come up with her \$400,000. I understand she wants the cutback of the funding from a DREE agreement in Nipissing. If she cannot get the provincial minister to agree then she cannot come up with her \$400,000. In other words, the minister would have to withdraw his \$400,000 from that agreement and she would then have her \$400,000. It would appear that is the only way she can do it.

She is a real battler. On three occasions, the latest last Friday evening, the federal minister blamed the province. The provincial minister has his money and he has not been prepared to respond. I find it a little surprising that poor Judy Erola cannot come up with her \$400,000, and she keeps dumping on him. He is the one who is continually in difficulty. Valley East went ahead with its project, installed the sewers and water in the industrial park, and now they will have to borrow to pay until Judy can come up with her money.

I quote: "Erola insisted the money was there but because of the provincial refusal to release it the federal government would come up with a new source for the \$400,000." Even at this time she maintains it is the provincial minister's fault. I have seen some of the correspondence. As early as last January, the minister indicated to her he had this fund available. I want to know when the funding will be forthcoming. This lady, who has had three stories in the local newspaper in the last four months, continues to kick the minister in the head and he does not respond.

I phoned the provincial ministry this past summer when these stories started to come out that it was Ontario's fault the funding was not there and encouraged them to respond. It is time the minister responded and laid the blame where it belongs. If it is at the federal level—I have every reason to believe it is—that should

be stated categorically. It is time we stopped fooling around. That municipality is now being forced to pay interest on money it had to borrow to pay the contractors who did the work.

Before the minister responds, I have one other item I want to speak to with respect to Ontario North Now. I have not been as gleeful about Ontario North Now as the minister has. I went down to see it two years in a row. It did not excite me, as a northerner, very much. Too many posters. We can send pictures of what is in the north to southern Ontario but it does not do much to enhance northern Ontario.

I have a proposal for the minister for at least one type of display. I have a neighbour who goes by the name of Whitepine Thompson. He has probably the largest collection of both moose antlers and deer antlers in the world. He has some 80 sets of various moose antlers. For example, he has one where the moose are locked in combat; in other words, the antlers are together and, as you know, sometimes when they get into that sort of fight they cannot break loose and consequently they die. He has a set of such antlers, which are mounted, locked in combat.

He has very large ones, some with as many as 26 or 28 points and one with 38 points. The minister, being from the north, understands what we are talking about when we talk about 38 points. That is a very large set of antlers. He has some that are three or four feet across.

If one wants to have some sort of display that indicates the hunting potential in the north, a display that is going to give people some incentive to come, one displays that kind of thing. I might say as well that he has a large collection of deer antlers, which he has had at the Canadian National Exhibition, by the way. They were displayed at the CNE a number of years ago, and one commentator wrote that this was a tremendous display, long overdue and truly Canadian.

He has a collection of seven black wolves, which are mounted: the head of dog wolf, large and good; the head of a female dog wolf, somewhat smaller; and two heads of pups. That sort of display would serve a lot better purpose than many of the posters we saw.

I ask the minister if someone on his staff—and I will send him this material across the floor with Mr. Thompson's address and phone number—could see if there is potential for a display such as this at Ontario North Now next year, because it would give something much more concrete than just a pictorial presentation of the north.

I might suggest to the minister at the same time that if he is looking for displays, he might get in touch with the carver in Sudbury who did all the carving with respect to underground mining and who is becoming world renowned as he does this carving. Laurentian University has a good many of his carvings on display, and they are so true to life that they are just a magnificent collection.

Mr. Stokes: You have made your point.

Mr. Martel: My friend the member for Lake Nipigon says I have made my point. I just add that this is the second opportunity.

Mr. Stokes: I am convinced.

Mr. Martel: He is convinced; and if he is convinced, then the minister should be too.

Let me conclude with one final comment. The minister said great things are happening in the north, and he talked about Elliot Lake. I might ask him where the rapid transit system is that the Premier (Mr. Davis) promised in 1978 would run from Sudbury to Elliot Lake to move the workers who were laid off at National Steel in Elliot Lake to get them to work in the mines. Will the minister tell me what stage we have reached in the development of that railway, which was promised and suggested by none other than the Premier?

Hon. Mr. Bernier: Mr. Chairman, I appreciate the member's contribution and his very sincere questions as well as his real concern about the Valley East industrial park. We have exchanged correspondence; he has spoken to me on a number of occasions about this project, which has been a comedy from our point of view as it relates to the involvement of the federal government.

To start with, our involvement and our discussions—and we do have a lot of discussions with people in the federal Department of Regional Economic Expansion—are usually with the federal minister responsible for DREE, Mr. Pierre de Bané. I think that is one of the problems.

I want to tell the honourable member very clearly that when we were approached to develop an industrial park in Valley East, we looked at it very carefully with the officials of the Ministry of Industry and Tourism. We felt it had merit. But we also felt that because of the commitment—and I think it was an election campaign commitment—there was something in the wind in the Sudbury area. The local member felt there could be some involvement by the federal authorities.

We took up that challenge, and I think we confirmed in writing to the mayor of Valley East that if he could find the federal funding for one third of the cost and the municipality was prepared to put up one third of the cost, we in the provincial government, particularly the Ministry of Northern Affairs, were prepared to put up our third, which was \$400,000.

12:10 p.m.

We earmarked those funds, and they are in the estimates of this ministry's budget this year. The funds are there, and we are prepared to flow those funds. We were prepared to flow those funds six months ago. I went to Ottawa on at least two occasions, once with my colleague the Provincial Secretary for Resources Development (Mr. Ramsay), and we met, not with the federal DREE minister, but with the Minister of State (Mines), who had taken a very active interest and said she had been given the responsibility of negotiating this assistance to Valley East. She was prepared to recommend that the one third of federal funds should come from the North Bay agreement.

I wish the member for Nipissing (Mr. Harris) were here, as I am sure he recalls the problems I had—the problems we had, because the Treasurer (Mr. F. S. Miller) joined me—in getting that major agreement signed for North Bay. We wanted a \$14-million agreement, which would have tidied up all the requirements of North Bay. But because of the insistence of the federal North Bay member, Jean-Jacques Blais, we settled for a \$10-million package. Obviously we were \$4 million short right off the bat.

In our experience, right across the north in all these DREE agreements, even though we do have a 15 per cent contingency fund, we always overrun. We all know the costs of doing things in the north now, with inflation and everything that goes with it; so we have never come in under budget. In no way were we going to jeopardize anything that happened in North Bay because of what I think was a political commitment to Valley East. We had our funds, and we made it known. In fact, I confirmed our position in writing to the Minister of State (Mines), that we could not jeopardize the North Bay agreement to that amount and piggyback those dollars for Valley East, and that we insisted new funds be found from within. This has been the problem right along.

To say the province is not prepared to live up to its commitment is entirely wrong. I am prepared to issue the cheque from the Ministry of Northern Affairs tomorrow morning. I really

am. That would put the fat in the fire, because then the DREE agreement would be down the drain. How would they flow the money to the municipality of Valley East? Valley East would be the loser, because they could not flow it directly to them for that industrial park. It has to be through a provincial agreement we have with the municipality.

We have said: "Look, we are prepared to flow the money. We have the money right here." That is our position as strongly as I can make it. I understand the work has already been completed and the contracts are waiting to be paid. I say to the member, tell the mayor from Valley East that the money is in the Ministry of Northern Affairs. It is sitting here on my desk waiting to be flowed.

Mr. Martel: I will take the cheque home with me.

Hon. Mr. Bernier: Well, it is there.

Mr. Chairman: Now that the—

Hon. Mr. Bernier: Mr. Chairman, if I may just continue for one moment, the member brought up a very interesting suggestion, that we should consider the world's largest collection of moose antlers for our Ontario North Now pavilion at Ontario Place.

I am pleased to tell the member that our northern affairs co-ordinator, Jim Kozlich, has been in touch with this gentleman from White Pine. They are working on a plan. There is some discussion already under way. I am hopeful we can comply with the member's request next year. It is very exciting, no question about it, and I look forward to seeing the display myself.

I think that was about all. Was there anything else?

Mr. Martel: What about the rapid transit railway from Sudbury?

Hon. Mr. Bernier: I am told that our ministry, along with the Ontario Northland Transportation Commission, did a study on the Elliot Lake-Sudbury run. Unfortunately, the study proved that it would be uneconomical.

Mr. Martel: The Premier did not hesitate to promise it during the layoffs.

Mr. Chairman: It is my understanding, now that the member for Rainy River has allowed the member for Sudbury East the opportunity to say a few words, that we will be moving into specific vote items. Am I right?

Mr. T. P. Reid: If I had known what he was going to say, I would not have let him.

I wonder, pursuing my habit of trying to mess

up the estimates by asking questions about money, if we could understand that when we are dealing with vote 701 or 702, we could ask about any item in the votes? Is that all right?

Mr. Chairman: Agreed.

Mr. T. P. Reid: Among other things, I would like to know what the special warrant for \$775,000 was for. I would also appreciate it if the minister would break down the main office expenditures of \$1.5 million; how many people are there?

I am going to get to analysis and planning, but I would also like to know what the \$596,000 for information services is for. Is it for all the bumf the ministry puts out and all the posters with "The Honourable Leo Bernier, Saviour of the North" written on them and that sort of thing? Why are we spending that kind of money on information services? How many people are involved in that?

I would like to spend some time on the analysis and planning section, and I would like to warn Mr. Herridge and company under the gallery that I would like to know how many people are in that group. I would like to have the list, which the minister promised me last year and which I never did receive, of the actual studies that were being undertaken under this vote. I wonder if the minister has them with him, since I asked for them last week when we started the estimates.

Hon. Mr. Bernier: Mr. Chairman, the honourable member asked for a breakdown on the \$1.5 million for ministry administration. I will give a breakdown of that \$1.5 million.

Mr. T. P. Reid: I just want to know how many people. I have got the various categories. I also want to know what the transfer payment of \$64,000 is for, under that first vote.

Hon. Mr. Bernier: The main office consists of a total staff of 21. That's the salary aspect of it. There is a staff of three in the minister's office, three in the deputy minister's office, three in the assistant deputy minister's office for the north-east, three in the assistant deputy minister's office for the northwest, two in the executive director's office and seven in administration and support services, for a total of 21 people.

Mr. T. P. Reid: Does that includes the Kenora, Sault Ste. Marie and North Bay offices?

Hon. Mr. Bernier: Just the assistant deputy ministers, yes.

12:20 p.m.

Mr. T. P. Reid: Can the minister tell us what the special warrant is that did not apply in the last few years? What is the \$775,000 for?

Hon. Mr. Bernier: I am told the special warrant was something we had to use during the election writ period. The House was not in session, and our estimates had not been dealt with; they were dealt with by Management Board of Cabinet by special warrant.

Mr. T. P. Reid: I am not quite sure I understand. Was this special warrant for funds over and above the estimates that were approved last year?

Mr. Stokes: Yes. I signed it.

Mr. T. P. Reid: As I understand, it was not because the election was on. It was for estimates that were not approved by the House.

Hon. Mr. Bernier: That is right. The estimates had not been approved by the House.

Mr. T. P. Reid: What did it cover?

Hon. Mr. Bernier: Part of the total estimates of the ministry.

Mr. T. P. Reid: What did we spend \$775,000 extra on to get you re-elected?

Hon. Mr. Bernier: The first three months of operation of this year were included in that. The general operation and administration of the ministry is included in that figure.

Mr. T. P. Reid: I will put it as plainly as I can. Was the \$775,000, over and above the estimates that were approved, a one-shot item? In other words, what was the \$775,000 spent on? Was it simply to get us over the election period? Will it appear in the estimates again next year under main office or whatever? Is the minister telling me that he can run his ministry on \$775,000 for a 42-day period? Maybe I should ask the former Speaker, the member for Lake Nipigon. He obviously knows more about the ministry than the minister does.

Mr. Stokes: If the House had been in session, Mr. Chairman, the minister would have brought in supplementary estimates, because he did not have enough money to keep going for the period in question. It was not possible for him to bring in supplementary estimates; so special warrants were used as they were for many ministries. I signed them.

Mr. T. P. Reid: It was purely for administrative things. It was not a new program that evolved.

Hon. Mr. Bernier: If the honourable member will look at the figure closely, he will see it

covers main office, analysis and planning, information services and salaries, right clean through. The \$775,000 for the period the member for Lake Nipigon referred to is subtracted from that figure. If the member will just look at it, he will see it is subtracted and not added. That is what special warrants are for.

Mr. T. P. Reid: I want to spend some time on the analysis and planning section of the vote which the estimates indicate have dropped, not from the actual spent but from the 1981-82 estimate of \$1,094,000. We do not know what the actual was as yet; however, that is what was budgeted. This year under analysis and planning there is a decrease, and the minister is asking for \$952,000 in analysis and planning.

Can the minister explain the decrease? Does this mean fewer people? Does it mean less focus on this aspect of the minister's activities? For the benefit of my friend and myself, I hope he has a list of those areas where they are doing analysis and planning.

Mr. Stokes: Get Andy under the gallery.

Mr. T. P. Reid: I see Andy Morpurgo, director of financial and program planning, under the gallery. I would not ask Andy myself, because we would be here all day, but I am sure if the minister were to ask Andy for a list of what he has been doing, perhaps we could get that and see where the focus and priorities are under this vote.

While we are waiting for that to be forthcoming, I would like to say some general words about what concerns me about this whole process. The Minister of Northern Affairs impressed me once in my 14 years in this House; that was when he was just a common, ordinary person like the rest of us. He was making a speech in the House about the problems northerners face, and he was talking about the aboriginal people in particular.

On that occasion he said there were so many studies, so many ministries and so many civil servants involved in northern programs who were doing studies, policies and analysis that the people who were supposed to receive all this largess from the various levels of government were utterly confused about what was going on and who to go to to get some direction and make application or whatever it was that was needed.

None of that has changed. Not only has it not changed, but it is even more confusing today. I have been going through the estimates of the Ministry of Natural Resources, I have been going through the estimates of the Provincial

Secretariat for Resources Development and we are doing the estimates of the Ministry of Northern Affairs. We have been through this before, and I will not go through it all over again. But obviously the jurisdictions overlap: one has jurisdiction over a piece of this; another has a piece of that. My friend the member Lake Nipigon covered the waterfront the other day trying to get a handle on who is ultimately responsible for some of these matters.

It is a cliché to say that we in the north have been studied to death. Almost half the northern boreal forest would still be standing there if we had not cut it down to provide paper and newsprint to do all these bloody studies. The question is and the bottom line is: Has it really improved the situation in northern Ontario? The people in Manitouwadge and the people in Atikokan do not think it has helped them materially at all, I can assure you. It is frustrating, and one wonders if it is a purposeful policy of the government to study all these things to death.

Let me give an example. We have the west Patricia land-use study; I get all these bulletins and stuff and, quite frankly, I just do not have time to go through it all. We have the Royal Commission on the Northern Environment, which is doing the same thing except that, thank God in a way, we have not heard from them at all. I have heard Mr. Fahlgren speak two or three times, and he does not like the member for Lake Nipigon. I do not think he likes me either. He spends a great deal of his time talking about his critics, but that is neither here nor there.

We have all these land-use studies. We have the Royal Commission on the Northern Environment. We even have the federal government. Mention was made of the Design for Development, and we all went through the agony of childbirth on that. As a matter of fact, the gestation period was like that of an elephant. It seems that I spent every weekend of my life at Quetico Centre for years. We have all this stuff and more reports, more reports and more reports.

We have The Atikokan Story, and I hope the minister is going to address himself in a little more detail to that. I think it is an excellent report. I would like the minister to deal at some point with the recommendations that were forthcoming from The Atikokan Story. Whether it should be in this vote or under economic development I am not sure, because it really deals with economic decline rather than with economic development.

The people in Atikokan as well as myself and others were really upset when—what is the name of the mine just north of Ear Falls that is closing down?

Mr. Stokes: South Bay Mines.

Mr. T. P. Reid: South Bay Mines? The minister had the nerve to send out a press release, saying, "The closing of this mine will give us a rare opportunity to study the decline of a community, and I am sure we will learn valuable things from that."

12:30 p.m.

Mr. Stokes: They are holding a post-mortem.

Mr. T. P. Reid: Yes. Atikokan had been down for two years by this time, or better.

Mr. Stokes: Can you think of anything more exciting?

Mr. T. P. Reid: Perhaps there is a touch of necrophilia about the minister; I don't know. But that is not the point. The point is that among other studies we got was The Atikokan Story, with which I do not agree entirely, but I think overall it is an excellent study. There are something like 15 recommendations the provincial government could deal with. The minister has yet to respond to them.

I suppose the point I am trying to make out of all these studies in relation to this ministry is that we are still ad hoc everything in terms of northern Ontario, we are still dealing with a situation here and a situation there, and there is still no overall direction provided by this ministry and this minister, who takes great pride in saying: "We are sensitive to the needs of the north. We are the lead ministry in all this and, by God, we are telling everybody else what they should or should not do in terms of northern Ontario."

I am not quite as consumed by the excitement and satisfaction the minister indicated earlier. We read in the paper just recently about the layoffs in Kenora and other pulp and paper areas. We are reading daily or hearing daily about the mines, a nonrenewable resource. We are worried. People in the north are finally becoming afraid of what is going on in northern Ontario, because the press has finally tumbled to the fact that there is a story there; it is a bad story, and the press loves bad stories.

I do not know whether the minister and his staff happened to see The Fifth Estate on CBC on Tuesday night, I believe. I was not enamoured of that program. I gave them a lot of information they did not use; I even offered to appear, live or otherwise, on the program. But the gist of it was

that we are running out of trees, our renewable resource. We cannot do much perhaps about the iron ore running out in Atikokan but, by God, we can and should be doing something about regrowing and regenerating our forests.

I was going through the library the other day, looking again at the plethora of studies on the forests of Canada and of Ontario in particular. I was looking at the old forest unit study of 1969. Mr. Herridge will remember that well. It should come back to haunt this government. There was one interesting title that I would like to claim for my own in there that really struck me, particularly in terms of the fact that metal reserves are a finite resource and the forestry industry could be infinite if we looked after it. The title of that one periodical or book was Forestry—The Green Gold. My God, that is what we have, and yet we are wasting it.

Mr. Stokes: We are mining that.

Mr. T. P. Reid: We are mining that just like we are mining high-grade gold. That is exactly what we are doing. In my 15 years here, one of my biggest regrets is not seeing the government move on this issue. I want to know from the minister what input he is having on all this. Forestry is our biggest industry. We will be talking about economic development. Maybe I should save it for there.

Let me just leave this for now and ask, on the subject of analysis and planning, what analysis and planning has the ministry done on two topics in particular: (1) the present and future growth or health of the forest industry in the north and (2) one-industry communities in northern Ontario?

I ask the minister where the studies are on one-industry towns, other than the Atikokan study, which was not commissioned by the Ministry of Northern Affairs but by the Municipal Advisory Committee, and the minister will take credit for that because he has a finger in it as well. Where are the studies on one-industry towns and what we can do with them?

I think we are all mature and reasonable enough to know we are going to have some winners and losers. We are not going to be able to maintain each and every small community in northern Ontario. But at the very least we should have some kind of program, something that is understood, some kind of guideline so that when the crunch comes, when we are in that position, there is something out there. Then the community can say: "We know that the provincial government will do something to help us with municipal taxes once a large part of

the tax base is eroded. We know certain guarantees will be given in terms of basic municipal services. We know that between the provincial and federal government, there will be some kind of mobility grant or Canada Manpower will be in here or whatever."

We ad hocked our way through Atikokan. I, like everybody else, have to take some of the blame. We really did not have any kind of program that was understood and acknowledged at the provincial and federal levels. I think that, to a large extent, the federal government abdicated any responsibility it had. I do not think it is good enough or fair enough to the people who have spent their lives, or a good part of them, in these communities to suddenly find the resource gone, sometimes because of this government's mismanagement. They are sitting there with the largest investment in their lives, a home, but no job and no prospects.

I would like to hear, particularly in terms of number two, analysis and planning, what the ministry has done in those two areas. I would like to know how many people are working in that area, what we are spending \$952,000 on and what we are getting in terms of solid information in that regard.

Hon. Mr. Bernier: Mr. Chairman, if I may respond to the honourable member, I get a little bit confused when I hear the member for Rainy River talk at some length about the number of studies we do right across the government. Of course, he separates that into various ministries. Then to wind up his remarks, he asks for two more studies, one on the future growth of the forest industry and another one on the—

Mr. T. P. Reid: Because they are the important ones.

Hon. Mr. Bernier: Studies are a way of life in government; there is no question about that. I look back on our own involvement, the three members involved in the debates, and I look back to Design for Development. I went to some length to outline what came out of Design for Development. Sure, the gestation period was lengthy; the local involvement was significant. In our lifetime, participatory democracy is the thing; everybody wants input, everybody wants to be in on the act.

As an example, the member for Lake Nipigon, my colleagues and I went up to Big Trout Lake about a year ago, and the Kayahna Group insisted they wanted a study on energy substitution in Big Trout Lake. We never left until they had a commitment that the study would be

undertaken by themselves. Does my friend recall that? They wanted a study; there was no question about it.

I know how the honourable member feels; I have shared his frustration on some occasions. I look at the peat studies, I look at the study we have going on now and the research work at Lakehead University on the utilization of wood waste, but these things have to be studied; that is where one starts if one is going to get a new policy or a new program. There is no end of these studies that can and will be undertaken.

I am sure the member for Rainy River is interested in the study we are doing with regard to the quality of poplar in the Fort Frances area. Will that support a small industry in the Fort Frances area? He is interested in that study. But we have to look at it, count the trees, do a study and use some of that paper.

12:40 p.m.

Mr. T. P. Reid: Yes, you did a peat study, and nothing's going to come out of that.

Hon. Mr. Bernier: I am not so sure of that. I will not stand here and say nothing will come out of the peat study. We are into a whole new resources field. It is an exciting one. The way economics are moving with regard to the cost of energy today, I am one who strongly feels peat is a hidden gold mine for us in the north. There is no question about it; it will start to flow.

The Atikokan Story is another study, a very complimentary one. One can talk about studies on single-resource communities, but there is nothing more effective than what we did in Atikokan. There are studies still going on, and they will go on. In the north, we all have to accept the fact that the Pickle Lakes have nothing in common with Atikokan. They are both mining communities, but they are geographically and completely different. Then there is South Bay Mines, to which the member made reference and commented about a study we did with regard to the Selection Trust gold mine at South Bay. The situation in South Bay was entirely different from what occurred at Atikokan.

Atikokan is a community of 6,000 people, a built-up community with all the infrastructure of a community one could see. Has the member been to South Bay? South Bay is a totally temporary community. Everything is on a temporary basis. The company did not even own the land; it was all on a lease basis. It was told when it built that facility that when the oil reserves were gone and the lease expired, it must leave it clean and neat.

The company has mothballed that community. Everything is on a portable basis; the living accommodations are all portable. When the company finds a place for the headframe and the other mining facilities in another area of northwestern Ontario, it will be left clean. Mattabi Mines is a complete mining operation; that is all that is there. Maybe we could gain something for future operations. We will show them The Atikokan Story. We will show them the South Bay mining operation story. They are part of our studies, and there will always be ongoing studies.

Getting back to the single-industry communities, the DREE people have undertaken a very extensive Canada-wide study on single-resource communities and the problems facing them, particularly relating to nonrenewable resources. There is a committee under the cabinet committee on resources development of which we are a part, together with the Ministry of Natural Resources and the Ministry of Municipal Affairs and Housing, that is looking at that report.

There is no easy solution to the problems of single-resource communities. I live in one; I know what the problems are. It is all right to sit and condemn the government for not having a pat answer, and saying when Manitouwadge closes down or when something happens in Terrace Bay, we should pull out a blueprint and say: "This is what happened, A, B, C, one, two, three. You do this and you do that." It does not happen that way.

I strongly believe the lead ministry concept is the answer. I hope the government sees fit to make us the lead ministry in the Pickle Lake area should something happen. We all know how tender and sensitive that matter is. In Manitouwadge, if something happened, we would like to be the lead ministry.

We have had a tremendous amount of success with that thrust in Atikokan. With the resources we have, both human and financial, I do not think we could do it ourselves. In Atikokan, we put up the money for the industrial mall. We did not go to the Ministry of Industry and Tourism. We knew we would have difficulties leaning on that ministry because its priorities are different from ours.

Atikokan has worked exceptionally well, and that is the thrust I would like to see. My staff share my view that this is the route we would like to see taken. Each community will be dealt with differently and separately.

We talked about the amounts. Our budget for

services, which include studies, has been reduced from \$246,000 in 1980-81 to \$46,000 in 1981-82. Those are studies done outside the ministry, where we actually contract them. We are having a reduction of \$200,000 in that particular field.

Mr. T. P. Reid: Could we have a list of how many staff?

Hon. Mr. Bernier: You already have a list.

Mr. T. P. Reid: No. That was just for the head office.

Hon. Mr. Bernier: No. There are 22 staff, including five secretaries.

Mr. T. P. Reid: In analysis and planning?

Hon. Mr. Bernier: In analysis and planning.

Mr. T. P. Reid: Are there any reports we can have that they have worked on or are working on?

Hon. Mr. Bernier: Yes, we can give the member a list of those.

Mr. T. P. Reid: I have one other question about the transfer payments of \$64,000. Who is in receipt of that largess?

Hon. Mr. Bernier: I am sure you will support that, Mr. Chairman, because that is the transfer payments to UCANO East and UCANO West.

Mr. Chairman: The member for Lake Nipigon indicated he had some inquiries on this vote. Just to refresh all members' memories and, more important, for those students who are in observance, we are doing the estimates of the Ministry of Northern Affairs; in other words, how the minister is spending the taxpayers' money in the north.

Mr. T. P. Reid: He didn't answer my question on information services.

Mr. Stokes: Mr. Chairman, the minister did not address himself to one of the problems in the north that I think is much more basic than almost anything else we have been talking about in Ontario and certainly in these estimates.

During my presentation last week, I mentioned the lack of any real continuity with regard to planned economic development. We mentioned, and the minister never even referred to, the old economic development councils we had that worked so well in northwestern Ontario. Then we got to the Design for Development for northwestern Ontario, and the minister said: "Well, that has served its usefulness. It has run for 10 years."

The minister said 80 per cent of those recommendations had been fulfilled. I take exception to that comment. I think we have

been treading water with regard to Design for Development, because I do not think the minister can point to any new jobs as a result of any initiatives taken under Design for Development. I think we did some job replacement, but I do not think the minister can point to the number of jobs that were undertaken to be provided either in the mining industry or in the forest products industry. As a matter of fact, I think if the minister had a statistical analysis, he would see that we are just treading water.

There have been considerable funds spent, both by the federal government and by the provincial government, to assist the pulp and paper industry to upgrade antiquated plants. They say they would walk away from them if they had to carry the brunt of cleaning up the environment, of having to become more efficient and of having to utilize a different species of tree to produce wood pulp and linerboard. All we are really doing is insuring the jobs that exist.

As a matter of fact, the kind of dollars that are going to be spent in Boise Cascade in Kenora will result in a decrease of something in the neighbourhood of 350 to 450 jobs. That is a major industry of northwestern Ontario where we are dedicating federal and provincial tax dollars and there will be a net loss in the number of jobs. For any community in northern Ontario, if there is a reduction of 300 to 400 jobs, that has a very profound and lasting effect on the economy of any of those communities. I just take exception to the statement made by the minister that Design for Development has served a very useful purpose.

12:50 p.m.

I want to know what the minister meant when he said the Design for Development for northwestern Ontario had really served its purpose, which would lead me to believe that something is going to be supplanted or replaced by something else. I realize that is what we have to do. But I do not know what that something else is, because there is nothing the minister has said in his opening comments or in response to our opening comments to indicate there was any overall plan he was aware of. And he is the lead minister in all of northern Ontario, the minister more responsible for co-ordination in the north than any other minister.

I heard about nothing to take the place of Design for Development. He knows we have spent in excess of \$6 million to have the Royal Commission on the Northern Environment running around the north handing out dollars to

anybody who wants to do a study or a survey. I am told they have research material coming out of their ears.

The present commissioner said it has taken him almost this length of time to digest the kind of material, the statistical analysis, the input he has as a result of his 42 or 45 visits to a variety of communities throughout the north. The minister never even mentioned that commission, which was specifically commissioned to study those things within its terms of reference and to report back to this government.

I think the last time he reported back, he said he was having difficulty getting a handle on the kinds of issues and the details he should be addressing himself to because he did not have any policy direction from this government. I would have thought it would have been the other way around, with the minister anxiously awaiting some direction or feedback from the Royal Commission on the Northern Environment, so he could implement the policy directions that he and his commission indicate in the work they are supposed to be doing on our behalf.

The minister knows this process has never happened. I am wondering why, since he is probably aware of the inability of that commissioner and that commission to address itself to the job it was assigned to. I know we should not be sending good money after bad, but I do not think we can just drop the handles and say, "Well, that wasn't a very good way to go, because we have too much money invested in the thing." Somehow the minister, his ministry and his government have to salvage something out of that, because they have built up the hopes and aspirations of far too many people in the north to let that go.

If the minister is convinced he is not going to get any sense of future direction from that commission, I think he has a responsibility to get up here and say that now. If he has confidence in that commission to do the job it was assigned to do, I would like to hear how he proposes to do it with the present personnel.

I am not out on a personal vendetta to try to get somebody. I have never operated that way. I do not think unkindly of Ed Fahlgren—I have known the fellow for years—but I do not think he has the ability to carry out the mandate assigned to him.

The minister need not take my word for it. Let him talk to the people who have heard the commissioner in Fort Frances, Atikokan and Thunder Bay. The last time I heard him was in

Atikokan. His staff had prepared a 30-minute written speech for him. He got up and made a few off-the-cuff remarks and said, "You people have worked very hard over this weekend, talking about the social and economic issues for all of northwestern Ontario, and I am not going to bore you with this 30-minute prepared speech." He threw it aside, got up and spoke off the cuff for 45 minutes and said absolutely nothing.

That is the reality of it. I do not say this in an unkind way, but we have a lot of dough invested in this whole exercise. An awful lot of people in the north are hoping for great things from the Royal Commission on the Northern Environment. The minister knows what is going on with regard to the West Patricia land-use plan. He knows what is going on with regard to the strategic land-use plan for all of northwestern Ontario. He knows what is going on with regard to Detour Lake. He knows what is going on with the millions of dollars we are spending for new access roads. He knows about the studies on wild rice. He knows all of these things, but the Royal Commission on the Northern Environment does not know what is going on.

As a matter of fact, I am told that the Royal Commission on the Northern Environment has a submission before Management Board of Cabinet to provide more funds for more studies—and I can name them chapter and verse—the kinds of studies that are working in opposition to the strategic land-use plan. If the minister wants to talk to the Minister of Natural Resources (Mr. Pope), if he has not already done so, he will learn they have been doing everything humanly possible to get the people in the Treaty 9 area to respond to the West Patricia land-use plan by saying: "We want you to be part of it all. We want to consult with you. We are available. Here is all the documentation. If you are interested in having some input, please talk to us or invite us in so we can explain what we are all about."

Does the minister know what the Royal Commission on the Northern Environment is doing? They now have an application before Management Board of Cabinet to provide funds for that group so they can conduct their own land-use planning program. The minister knows that, and I think he has a responsibility to the people in the north who are interested in getting on with the job of planning. He has a responsibility to the taxpayers of the province. As a matter of fact, he has a responsibility to his own cabinet

colleagues to apprise them of what is going on before those funds are allocated for a dual purpose.

That process is already going on in north-western Ontario right now at a time when the minister is likely to appropriate further funds that are going to be counterproductive to anything that is going on there in the north. If Mr. Fahlgren does not understand that, then the minister should understand it, because I have talked to the Minister of Natural Resources, I

have talked to people in the field and I have talked to people in the commission.

This problem is not going to go away; it is just going to get worse and worse. I think the minister has more responsibility than any of the 8.5 million other people in the province to do something about it, and I have not heard anything since we started these estimates that would give me the assurance he is at least prepared to address that very basic problem.

The House adjourned at 1 p.m.

APPENDIX

ANSWERS TO QUESTIONS ON NOTICE PAPER

WALKER BROTHERS QUARRIES

176. Mr. Smith: Would the minister provide us with a list of actions his ministry is taking regarding Walker Brothers Quarries, based on the fact that Walker's site accepted 2,045,859 gallons of liquid waste between August 1, 1979, and July 31, 1980? If there will be prosecutions, what will be the basis for them? If there will not be prosecutions, what is the basis for them? If there will not be prosecutions, what is the basis for this decision? Will you please table the report conducted by MOE's west central region on alleged environmental wrongdoings at the Walker Brothers site? (Tabled October 26, 1981.)

Hon. Mr. Norton: No action is being taken.

Question two, if there will be prosecutions, what is the basis for them? Answer: There will be no prosecutions.

Question three, if there will not be prosecutions, what is the basis for them? Answer: My staff have reviewed the types and quantities of wastes received at Walker Brothers Quarries during the period August 1, 1979, to July 31, 1980. The wastes received at the landfill consisted of solid waste inert slurries and paper waste. None of these is considered unacceptable at this site.

Question four, if there will not be prosecutions, what is the basis for this decision? Answer: The decision is based on the above review.

Question five, will you please table the report conducted by the MOE west central region on alleged environmental wrongdoings at the Walker Brothers site? Answer:

Status/recommendations regarding public issues

Item: The Ford sludge.

Recommendation: No further action.

Rationale: It is a matter of public record that the company had made the ministry aware of its intentions with respect to the amount of sludge which was to be disposed of and the duration of time over which it was to be hauled.

Item: Site security.

Recommendation: No further action.

Rationale: Control of access to the site has been tightened. A gantry has been erected to enable inspection of high trucks by the site attendant. In addition to the site attendant, a full-time technician has been employed to inspect all material actually deposited on the site.

Item: Drummed liquid waste on the disposal site.

Recommendation: Prosecution is not recommended.

Rationale: The company received drummed waste, as solid wastes, with the knowledge of this ministry. At the request of this ministry, the company maintained a log and location map of such drum shipments.

The drum shipment in question was uncovered and was found to contain liquid paint and solvents. This shipment had been represented on the shipping invoices as solid paint sludge. The liquid was subsequently removed from the shipment and returned to the source.

Portions of other shipments were uncovered and found to be representative of the solid wastes permitted.

The company will no longer accept drums of waste of any type for disposal, only empty drums which are crushed.

Prosecution was not pursued since the statute of limitations applies, and the certificate of approval that was in effect at the time the drums

were received did not exclude the acceptance of liquid waste.

Item: Laidlaw Cement tanker.

Recommendation: No further action is recommended.

Rationale: The tanker was uncovered at a cost of approximately \$20,000. The contents of the tanker were found to be consistent with the information provided on the sworn affidavits.

HERITAGE LANGUAGES PROGRAM

177. Mr. Di Santo: Will the Ministry of Education table the following information: (1) How many boards of education have instituted heritage classes since 1974—with breakdown, year by year? (2) How many students are at present enrolled and how many have been enrolled in each of the preceding years? (3) How many students are taking third-language courses in each board of education, organized and funded by private groups or organizations with the co-operation of the board, but outside heritage programs? (Tabled October 26, 1981.)

Hon. Miss Stephenson: It was announced in the throne speech of March 29, 1977, and the Premier's (Mr. Davis) speech of May 4, 1977, that the Ministry of Education would implement a heritage languages program to take effect as of July 1, 1977. An amendment was subsequently made to regulation 191 to allow for the provision of these classes for elementary school children, by all school boards.

A memorandum from the assistant deputy minister, dated June 15, 1977 requested that boards operating or planning to establish heritage languages should provide the Ministry of Education with a list of the heritage-language classes offered and the estimated enrolment in each class. Forty-two boards reported an enrolment of 52,713 in 1977-78.

The statistics requested are as follows:

Items 1 and 2

1977-78 1978-79 1979-80 1980-81¹

Number of participating boards	42	51	51	64
Number of Pupils	52,713	66,980	76,017	78,208

¹Preliminary figures for 1980-81.

Item 3

Clause 150(1)(22) of the Education Act RSO 1980 c.129 (formerly clause 147(1)(22) of the Education Act, 1974), establishing the basis for

co-operation between school boards and the community, provides that every board may, "permit the school buildings and premises and school buses owned by the board to be used for any educational or other lawful purpose."

The ministry statistics do not include information on programs that are not eligible for ministry funding.

REGIONAL ADMINISTRATIVE CENTRES

178. Mr. Nixon: (1) What regional municipalities have built new administrative centres, and what ones have plans to do so? (2) What are the projected individual costs of these programs? (3) In which instances were the original plans provided by the Ministry of Municipal Affairs and Housing? (Tabled October 27, 1981.)

Hon. Mr. Bennett: (1) Here is a list of the regional municipalities which have built, or have indicated an intention to build, new administrative centres. Details would be available from the individual regional municipalities.

Sudbury: new civic complex in downtown Sudbury shared by region, city of Sudbury and boards of education.

Niagara: region is planning to build new centre in Thorold.

Peel: built new centre in Bramalea.

Halton: built new centre in Oakville (1978).

Haldimand-Norfolk: has indicated an intention to build a new centre in Townsend.

(2) We do not have information on the projected municipal costs of new municipal facilities in these areas. The regional municipalities should be contacted directly for this kind of information.

(3) The Ministry of Municipal Affairs and Housing has not provided any plans for administrative centres that regional municipalities intend to build. This is a local responsibility.

MANUFACTURE OF CHLOROPHENOLS

179. Mr. Kerrio: Would the Minister of the Environment provide the names, locations, years of production and quantity of production of all firms in Ontario who manufacture(d) trichlorophenol, pentachlorophenol, hexachlorophene, 2, 4-dichlorophenol, and 2, 3, 4, 6-tetrachlorophenol? (Tabled October 28, 1981.)

Hon. Mr. Norton: In reply to your question regarding the manufacture of various chlorophenols in Ontario, I wish to report that the only chlorophenol manufactured in Ontario was 2, 4-dichlorophenol. It was produced by Naugatuck Chemical Company, now Uniroyal Chem-

ical in Elmira, from 1950 to 1969. As you are aware, production figures from a single manufacturer must be kept confidential. This is required under section 87 of the Environmental Protection Act.

COSTS OF PROMOTION

180. Mr. Kerrio: Would the Minister of the Environment provide: (1) the cost of production of the MOE Legacy newspaper during fiscal 1980-81; (2) the cost of production of the video, *The Case Against the Rain*; (3) the cost of production of the video, *No Time to Waste*; (4) the cost of radio advertising during fiscal 1980-81; (5) the cost of television advertising during fiscal 1980-81? (Tabled October 28, 1981.)

Hon. Mr. Norton: (1) Legacy 1980-81, \$8,380. (2) *The Case Against the Rain*—VTR, \$17,500. (3) *No Time to Waste*—VTR, (a) production, \$19,095.93; (b) updated version production and editing, \$6,765; Total \$25,860.93. (4) Radio advertising, 1980-81, \$266,047.17. (5) TV advertising, 1980-81, \$330,610.01.

PROSECUTIONS BY MINISTRY

181. Mr. Kerrio: Would the Minister of the Environment provide: (1) a list of all prosecutions undertaken by the MOE during fiscal 1980-81; (2) indications for each case of the success or failure; (3) the total dollar value of the fine awarded in each successfully case? (Tabled October 28, 1981.)

See sessional paper 267.

EXPERIENCE '81

182. Mr. Kerrio: Would the Minister of the Environment provide a list of all Experience '81 programs, a description of each, the number of students employed in each, the total budget for each project, and an expected date when reports from each project will be made public? (Tabled October 28, 1981.)

See sessional paper 268.

ACID RAIN

183. Mr. Kerrio: Would the Minister of the Environment provide a complete breakdown of all expenditures of his minister disaggregated by section within the MOE, for all acid-rain-related research and activities conducted during fiscal 1980-81, and expected in fiscal 1981-82? (Tabled October 28, 1981.)

Hon. Mr. Norton:

Fiscal 1980-81

Branch region	Total
Northeastern	175.0
Northwestern	121.0
Southeastern	23.0
Central	3.0
Air resources	967.0
Water resources	638.0
Program planning and evaluation	285.0
Laboratory services	1,001.0
Program management	110.0
Information services	137.5
Legal services	6.5
	<u>3,467.0</u>

Fiscal 1981-82

Branch region	Total
Northeastern	129.3
Northwestern	209.7
Southeastern	29.0
Central	9.3
Air resources	2,253.9
Water resources	1,514.7
Program planning and evaluation	710.2
Laboratory services	1,180.1
Program management	248.2
Information services	396.3
Legal services	296.3
Liming	391.1
	<u>6,977.0</u>

HEAVY METAL EMISSIONS

184. Mr. Kerrio: Would the Minister of the Environment provide all MOE data relating to heavy metal emissions from Inco Limited in Copper Cliff and Port Colborne, Ontario, from 1971 to the present date? (Tabled October 28, 1981.)

See sessional paper 269.

INTERIM ANSWER

185. Mr. Stokes: Hon. Mr. Norton—Additional time will be required in order to provide the answer to the above-mentioned question. The answer will be ready on or about November 17, 1981.

RESPONSES TO PETITIONS

HIGHWAY 527

Sessional paper 230:

To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

We, the undersigned, beg leave to petition the parliament of Ontario as follows:

That Highway 527 be considerably improved between mileage 30 and mileage 72;

That the Honourable the Lieutenant Governor and the Legislative Assembly give prime consideration to completing the work necessary in order to pave the remaining portion of the highway that remains unpaved. At present, the calcium chip seal and grading treatment on this stretch of highway is unsatisfactory.

We therefore beg to remind the Honourable the Lieutenant Governor and the Legislative Assembly that if a vehicle was in as bad condition as is this highway, the laws of this province would prevent such a vehicle from operating on the province's highways.

We therefore ask for justice in the improvement of Highway 527.

Hon. Mr. Snow: Secondary highway 527 from highways 11 and 17 northerly to the junction of the road to Hurkett, a distance of 94 miles, was assumed in 1976. The remaining section from the Hurkett Road northerly to Armstrong, a distance of 54 miles, was assumed in 1977. Prior to assumption by this ministry, the road was constructed to access road standards.

Since that time, considerable improvements have been completed. The first eight miles from Thunder Bay northerly were reconstructed and paved in 1977. Under the same contract, hot mix patching and frost heave treatment was completed for an additional 22 miles.

Surface treatment has been completed on the section from mile 30 to mile 45 and granular base was placed from mile 45 to mile 94 at the Hurkett Road.

Reconstruction and surface treatment has been under way for the past two years on the 25-mile section from Armstrong southerly, which was formerly one of the poorest sections. The work was completed this past summer, and we have now advertised a contract for the reconstructions of the next 11 miles southerly, including the Kopka River bridge. This Bailey bridge was damaged last year by a traffic collision.

In addition, we have completed the precontract engineering for a resurfacing project from 45 miles north of highways 11 and 17 northerly

for 50 miles. This project was considered, by the Ministry of Northern Affairs, for funding under the 1981 budget. Unfortunately, sufficient funds were not available this year. The project has a high priority and will be given every consideration when the program for fiscal year 1982 is being discussed.

In the interim, the Ministry of Transportation and Communications expended considerable effort on maintaining this section of road in the best possible condition. Our work is generally considered to have been exceptionally successful, and very few complaints were received this summer. The road is well above the minimum tolerable standards for secondary highways in Ontario. We do, however, acknowledge that the percentage of commercial vehicles on this road is high and that additional improvements are desirable.

The resurfacing will be implemented at the earliest possible date, consistent with available funds and overall road needs in northern Ontario.

RURAL ELECTRICITY RATES

Sessional paper 245:

To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

We, the undersigned, beg leave to petition the parliament of Ontario as follows:

That the matter of reducing the differential between rural and urban residential electricity bills be referred to a standing committee of the House so as to provide for a more reasonable public examination of this significant change in the method of allocating costs of power to power consumers.

Hon. Mr. Welch: Bill 141, An Act to amend the Power Corporation Act, was given second reading on October 27 and at that time was fully debated in the Legislature, following which it was referred to the committee of the whole House and deals with there on the same date. (Reference, Hansard number 80, pages 2885 to 2903.)

The bill subsequently received third reading on October 29 and royal assent on October 30, 1981.

CONTENTS

Friday, November 13, 1981

Statements by the ministry

Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics:

Federal budget.	3478
----------------------------------	------

Oral questions

Ashe, Hon. G. L., Minister of Revenue:

Retail sales tax , Mr. Haggerty, Mr. Breithaupt.	3487
---	------

Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics:

Provincial assistance , Mr. Smith, Mr. Cassidy.	3479
Provincial assistance , Mr. Cassidy, Mr. Sweeney, Mr. Laughren.	3482
Assistance to home owners , Mr. Cassidy, Mr. McKessock, Mr. Philip.	3485
Assistance to farmers , Mr. MacDonald.	3487
Unemployment , Mr. Mackenzie, Mr. Ruprecht.	3488
Assistance to Volkswagen , Mr. Cooke, Mr. Wrye.	3489

Welch, Hon. R. S., Minister of Energy:

Hydro exports , Mr. Smith, Mr. Foulds.	3481
Acid rain , Mr. G. I. Miller, Mr. MacDonald.	3486

Leluk, Hon. N. G., Minister of Correctional Services:

Prison overcrowding , Mr. Elston, Mr. Eakins.	3488
--	------

Drea, Hon. F., Minister of Community and Social Services:

Mental health services , Mr. Bradley.	3490
--	------

First reading

Road Closings and Conveyances in Ottawa Act , Bill 167, Mr. Bennett, agreed to.	3491
--	------

Committee of supply

Estimates, Ministry of Northern Affairs , adjourned.	3491
---	------

Other business

Acid rain , Mr. Smith.	3477
Extension of question period , Mr. Martel, Mr. Wells, Mr. Cassidy.	3477
Speaker's ruling , Mr. Speaker.	3477
Answers to questions on Notice Paper , Mr. Wells, tabled.	3491
Adjournment.	3508

Appendix

Answers to questions on Notice Paper

Norton, Hon. K. C., Minister of the Environment:

Walker Brothers Quarries , question 176, Mr. Smith.	3508
Manufacture of chlorophenols , question 179, Mr. Kerrio.	3509
Costs of promotion , question 180, Mr. Kerrio.	3510

Prosecutions by ministry , question 181, Mr. Kerrio.	3510
Experience '81 , question 182, Mr. Kerrio.	3510
Acid rain , question 183, Mr. Kerrio.	3510
Heavy metal emissions , question 184, Mr. Kerrio.	3510
Stephenson, Hon. B. M., Minister of Education and Minister of Colleges and Universities:	
Heritage languages program , question 177, Mr. Di Santo.	3509
Bennett, Hon. C. F., Minister of Municipal Affairs and Housing:	
Regional administrative centres , question 178, Mr. Nixon.	3509
Interim answer , question 185.	3510
Responses to petitions	
Snow, Hon. J. W., Minister of Transportation and Communications:	
Highway 527	3510
Welch, Hon. R. S., Minister of Energy:	
Rural electricity rates	3511

SPEAKERS IN THIS ISSUE

Ashe, Hon. G. L.; Minister of Revenue (Durham West PC)
 Bernier, Hon. L.; Minister of Northern Affairs (Kenora PC)
 Bradley, J. J. (St. Catharines L)
 Breithaupt, J. R. (Kitchener L)
 Cassidy, M. (Ottawa Centre NDP)
 Cooke, D. S. (Windsor-Riverside NDP)
 Copps, S. M. (Hamilton Centre L)
 Cousens, D.; Deputy Chairman (York Centre PC)
 Cureatz, S. L.; Chairman (Durham East PC)
 Drea, Hon. F.; Minister of Community and Social Services (Scarborough Centre PC)
 Eakins, J. F. (Victoria-Haliburton L)
 Elston, M. J. (Huron-Bruce L)
 Foulds, J. F. (Port Arthur NDP)
 Haggerty, R. (Erie L)
 Laughren, F. (Nickel Belt NDP)
 Leluk, Hon. N. G.; Minister of Correctional Services (York West PC)
 MacDonald, D. C. (York South NDP)
 Mackenzie, R. W. (Hamilton East NDP)
 Martel, E. W. (Sudbury East NDP)
 Miller, Hon. F. S.; Treasurer of Ontario and Minister of Economics (Muskoka PC)
 Miller, G. I. (Haldimand-Norfolk L)
 Philip, E. T. (Etobicoke NDP)
 Reid, T. P. (Rainy River L-Lab.)
 Ruprecht, T. (Parkdale L)
 Smith, S. L. (Hamilton West L)
 Stokes, J. E. (Lake Nipigon NDP)
 Sweeney, J. (Kitchener-Wilmot L)
 Turner, Hon. J. M.; Speaker (Peterborough PC)
 Welch, Hon. R. S.; Minister of Energy (Brock PC)
 Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)
 Wildman, B. (Algoma NDP)
 Wrye, W. M. (Windsor-Sandwich L)



Ontario

LEGISLATIVE ASSEMBLY

No. 98

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Monday, November 16, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Monday, November 16, 1981

The House met at 2:02 p.m.

Prayers.

CONSTITUTIONAL AGREEMENT

Mr. Renwick: I rise on a matter of privilege as a member of this assembly to dissociate myself from the accord reached by the first ministers at the constitutional conference which concluded on November 5. I do so with regret but for a number of reasons. Whatever the federal nature of Canada may be—historically, constitutionally and politically—it does not permit the isolation of the government and National Assembly of Quebec. It is unacceptable to me that the first ministers unanimously agreed to delete from the charter the rights of the aboriginal peoples of Canada.

Mr. Smith: On a point of order, Mr. Speaker, it seems to me that if the member for Riverdale wishes to express a point of view on the constitution he has every right to do so. Frankly, many of us would be very interested in his point of view; I have great respect for my friend from Riverdale. I do not, however, see that he has, in any way, been associated with the constitutional accord. Therefore I do not see why he should rise on a matter of privilege to dissociate himself from something.

I honestly feel that all of us could make speeches on a number of topics—and perhaps do from time to time. But this is not a genuine matter of privilege. It is—and I say this very sincerely—a matter of interest. But it is not a matter of privilege.

Mr. Speaker: Yes, I think it is a matter of great concern to the member, although I would not rule it a point of privilege, with all respect.

Mr. Renwick: Mr. Speaker, perhaps if I could finish my statement, that would be sufficient.

Mr. Speaker: No, I think you have made your point and I think we all recognize—

Mr. Renwick: I have not made my point, Mr. Speaker. If you would listen to the balance of my statement then perhaps you could rule whether my privileges have been affected.

Mr. Speaker: I think, with all respect, you are representing a point of view. That really does not breach your privilege; your privileges have not been breached in any way.

Mr. Renwick: Mr. Speaker, if I may respond to the question of whether my privileges have been affected or not, the constitutional accord that has been agreed by the first ministers was not at any time a matter that was referred to this assembly. I had no opportunity with respect to a debate or a discussion to put the points I want to make. As a matter of my privilege as a member of the assembly, as I will state in my very brief comments, I want to have that privilege respected in the assembly and have the opportunity to complete my remarks.

Mr. Speaker: Your privileges, of course, will be respected along with all other members, but I would respectfully submit that your personal privileges have not been breached in any way.

Before proceeding with the routine proceedings, I would ask all honourable members to join with me in welcoming guests in the Speaker's gallery from the New Brunswick Legislature: The Honourable Gerald Merrithew, Minister of Commerce and Development and government House leader, and the Honourable Malcolm N. MacLeod, Minister of Agriculture and Rural Development.

STATEMENTS BY THE MINISTRY

NIAGARA RIVER POLLUTION

Hon. Mr. Norton: Mr. Speaker, today I am tabling for the honourable members the most recent report on the Niagara River which has been prepared by the staff of my ministry and Environment Canada under the Canada-Ontario agreement on Great Lakes water quality. The report, entitled *The Environmental Baseline Report of the Niagara River, November 1981, Update*, concludes that less than one per cent of trace metals and organic contaminants in the Niagara River are from sources on the Canadian side of the river. Canadian and Ontario surveillance activity indicates that the Niagara River is a continuous source of numerous metals and organic compounds to Lake Ontario.

Let me first put this report and our situation into perspective, if I might. As I have stated in the past, based on my ministry's monitoring and testing programs, treated water supplies serving

Niagara-on-the-Lake, Niagara Falls and Fort Erie meet federal and provincial criteria for drinking water. The water supplies for these communities remain safe and this report confirms it. However, I do continue to be concerned about the potential long-term effect of loadings of metals and organic contaminants from the United States sources to the Niagara River at existing levels.

The federal and provincial governments are seeking assurances from the US government and the state of New York that effective abatement programs and containment of pollution sources will be greatly accelerated. With that perspective, I would like to review some of the highlights of the report. The scientists who prepared the report found that 12 municipal waste water treatment plants and 89 industrial facilities are licensed by the state of New York to discharge their effluents to the Niagara River and its tributaries. Numerous other industrial operations discharge to the river but do so via municipal waste water treatment plants, which eliminates the need for individual permit requirements.

In 1979, a report from the state of New York indicated there are 215 chemical waste dumps in Niagara and Erie counties. At least four of these waste sites have leaked in the past and continue to leach toxic contaminants into the Niagara River. These sites are the Love Canal, Hyde Park, 102nd Street and the Hooker "S" Area. Two of New York state's waste water treatment plants, those at Buffalo and Niagara Falls, continue to have serious operational difficulties and as a result fail to meet effluent standards.

It is estimated in our updated report that the total US point source discharges exceed Canadian discharges by more than one billion litres per day. Approximately 1.5 billion litres of US discharges enter the river in comparison with about .236 billion from the Canadian sources. US discharges account for more than six times the Canadian discharges to the Niagara River.

2:10 p.m.

In contrast, there are 19 municipal and industrial sources of discharge from the Canadian side of the river. All the discharges from the Canadian side are treated and meet the standards or are under control programs designed to bring them to the required levels.

In 1979 my ministry began a comprehensive investigation of abandoned waste sites throughout the province. Studies of these abandoned sites in the Niagara area and the ministry's

ongoing programs of monitoring work sites indicates no problems from contaminants entering the Niagara River from Ontario sources.

Environment Ontario has been engaged in monitoring and surveillance of the Niagara River since the early 1950s. Drinking water supplies have been tested for primary pollutants since the formation of the Ontario Water Resources Commission, the predecessor of my ministry.

In the late 1970s the ministry began specific monitoring programs for some of the more recently detectable contaminants in drinking water for Ontario communities taking their water from the Niagara River. As I said, it has been established that the drinking water in these communities remains safe. However, as a result of monitoring under the Great Lakes water quality agreement the Niagara River has been identified by the water quality board of the International Joint Commission as a problem area.

In a series of diplomatic notes dating back to 1979, the government of Canada has advised the government of the United States of its concerns regarding water quality problems in the Niagara River. Specifically, these concerns included the operational problems of the Niagara Falls waste water treatment plant, the proposal to expand SCA Waste Services Incorporated and the security of abandoned waste disposal sites.

The US State Department has assured the Canadian embassy the United States would respect the obligations undertaken in article 4 of the Boundary Waters Treaty of 1909 to the effect that: "Boundary waters shall not be polluted on either side to the injury of health or property on the other."

This situation will be a major issue discussed when the Premier (Mr. Davis) and I meet with Governor Carey of New York state in a meeting for which the agenda and timing are now being finalized.

The honourable John Roberts and I will continue to urge the International Joint Commission to use its considerable influence in pressing for abatement and containment of pollution sources from the United States side of the river as an urgent environmental priority.

ADVISORY COUNCIL ON THE STATUS OF WOMEN REPORT

Hon. Mrs. Birch: Mr. Speaker, today I would like to table the seventh annual report of the Ontario Advisory Council on the Status of Women. This report outlines the varied activi-

ties and recommendations of the council over the past year. Reflected in this document is the interest and enthusiasm of the committed men and women who make up this advisory body.

Present in the gallery today are the council's chairman, Lynne Gordon, and the vice-chairman, Linda Silver Dranoff. These women have made vital contributions to their council. I would ask members to join me in showing appreciation for the hard work of those who make up the Advisory Council on the Status of Women.

ORAL QUESTIONS

MASSEY-FERGUSON LAYOFFS

Mr. Smith: Mr. Speaker, I direct a question to the Treasurer. The Treasurer is undoubtedly aware that Massey-Ferguson has announced a further layoff of 1,750 employees just two short weeks after laying off 600 and that this layoff is another by a string of manufacturers who have laid off people. Between January and August of 1981, we have McDonnell Douglas, 1,000 people; National Steel Car, 574; International Harvester, 334, de Havilland, 214; Millhaven Fibres, 250 and now we have had Canadian Admiral, 1,700; Budd Canada, 498; and the list goes on and on.

This pattern of decline which has taken over the northeastern United States has spilled over into Ontario. Does the Treasurer not believe the time not only is here but has been here for some time to adopt an industrial strategy that will allow Ontario to develop in the new manufacturing areas that have, perhaps, a better future than some of those that are in decline? Does he not believe measures are needed to help our traditional industries as well? And does he not feel the time has come to actually do something to make Ontario once again a centre of economic growth rather than just express concern each time thousands of workers are laid off?

Hon. F. S. Miller: Mr. Speaker, on the specific layoff that precipitated the question by the Leader of the Opposition, I believe the Minister of Industry and Tourism (Mr. Grossman) intends to be in here shortly and will be making some comments or answering some questions about it.

In terms of strategy in general, it is intriguing to me the honourable member now should be crying for something when I believe he has opposed just about everything we have done. I refer, for example, to our efforts to assist the pulp and paper industry to remain competitive

and to assist companies in the industrial sector, as well as the Board of Industrial and Leadership Development strategy we put forward.

Mr. Smith: The Treasurer seems incapable of discerning the difference between giveaways to highly-profitable companies and a genuine industrial strategy to develop the new manufacturing industries that will have a future in the world of today and the world of tomorrow. May I ask him how he justifies to himself the spending of \$650 million in an industry that is not even Ontarian in the hope of making speculative profits in the oil industry in Alberta rather than using that money to help develop the new manufacturing industries, the high-technology industries, the resource equipment industries and the new types of auto parts industries?

Why is he not using the money here in Ontario to create new jobs so that those who lose in the traditional industries will have other jobs to go to and will not have to go to Alberta, "where the action is"? Does he agree with Duncan Allan, that to speak of the days when Ontario had a great economy is "irrelevant nostalgia"?

Hon. F. S. Miller: We have done both, and I am afraid the Leader of the Opposition does not want to recognize that. We have developed a strategy that will help the new industries, as he has called them. We suggested in the BILD document that we should put a lot of emphasis on high-technology industries. We recommended the creation of three centres for research and development and innovative assistance. We have been doing work on those through the BILD committee, and I am sure we will be seeing the fruits of those labours before long.

Mr. Cassidy: Supplementary, Mr. Speaker: 1,750 workers at Massey-Ferguson are losing their jobs and have been told they will go back to work some time in February without a definite date. Many of those workers do not even qualify for unemployment insurance because they only went back to work a few weeks ago. Will the Treasurer say what steps the government has in mind to provide some form of emergency assistance for those workers? Or is it the government's view they now should be victims of the recession and go on welfare?

Hon. F. S. Miller: Mr. Speaker, I will repeat what I said earlier. The Minister of Industry and Tourism will be discussing the specific question of Massey-Ferguson when he comes in.

Mr. Nixon: Mr. Speaker, does the Treasurer not consider this an appropriate time to bring

forward a program of interest rate assistance, similar to that which is already in force in most other provinces, to assist the farmers in opening up a market for the products of the Massey-Ferguson manufacturing plant, particularly combines? Could we not support our farmers in a way similar to that which has already had some experience in other provinces and similar to the commitment made by the Premier (Mr. Davis) back in 1975?

Now that we know the initiatives coming forward from Ottawa—such as they are—this is an appropriate time for Ontario to support our farmers and thereby support the manufacturing capability in the Brantford plant.

Hon. F. S. Miller: Mr. Speaker, whether the honourable member thinks our actions were adequate or not we have put in some \$40 million to \$45 million so far this year. Mr. Nixon: That didn't help the situation.

Hon. F. S. Miller: It helps somebody who buys equipment; I hope we will both accept that. The first problem of many farmers this year in certain sectors, such as beef and pork, was simply to survive a year. I am afraid in a year that one is surviving, keeping up the mortgage payments or reducing the bank loans, admittedly the purchase of capital equipment is not always high on the list. That is not true of all the commodities produced. The member knows as well as I do that a good chunk of the machinery produced by Massey-Ferguson is not even sold in Canada, let alone in Ontario.

We do not have a sales tax in Ontario on that equipment. I hope the member accepts that—

Mr. Nixon: We never had.

Hon. F. S. Miller: We had the prescience not to have one.

2:20 p.m.

Hon. Mr. Davis: I like that word.

Mr. T. P. Reid: You take credit for the 10 commandments too.

Mr. Speaker: Order.

Hon. F. S. Miller: I only wrote eight of them so I cannot really say—

Mr. T. P. Reid: You broke all 10 of them.

Hon. F. S. Miller: Just nine.

One thing I was glad to see in the federal budget—although I cannot, as yet, assess the value of the impact—was that small business development bonds were being extended. In fact, they will apply to the purchase of capital equipment should a farmer wish to do so. That would get him his interest at almost half the current prime rate.

McMICHAEL CANADIAN COLLECTION

Mr. Smith: Mr. Speaker, a question for the Minister of Culture and Recreation regarding the McMichael Canadian Collection. Can the minister explain to this House why he or people in his ministry are circulating a draft bill called an Act to amend the McMichael Canadian Collection Act? In it the effect of the major clause 5 will take an agreement signed by John Robarts and the McMichaels in 1965, the basis for the McMichael conservation collection of art, and render that agreement retroactively void and of no effect.

Why would the government of Ontario now wish to invalidate an agreement signed in the year 1965—in good faith, one presumes—to set up this great boon to Ontario, the McMichael Canadian Collection? It has had more visitors than any other gallery in Canada, with the exception of the King Tut exhibition.

Hon. Mr. Baetz: Mr. Speaker, the planned legislation the Leader of the Opposition is talking about will be introduced in due course in this House. At that time I am sure the Leader of the Opposition will have all kinds of opportunity to debate the issues. I would simply like to say at this point, however, that this government certainly has no intent whatever to renege on any agreements made and reached with Robert and Signe McMichael. But in due course we will have all kinds of opportunity to express very clearly our intentions on the amendment to the present McMichael bill which dates to 1974.

Mr. Smith: The bill does date to 1972 and received proclamation in 1973. It was suggested by the member for Riverdale (Mr. Renwick) at that time that the very agreement of 1965 be included as a schedule to the act so that it would be clear future governments would be bound by it. The minister at the time, Mr. McNie, said that was the intention of the act; there was no need to include it because it was the intention to be bound by the agreement. Why would the minister now consider a draft act to totally invalidate the agreement?

Please forgive me, Mr. Speaker, if I am lengthy on this but it is a complex matter. When the minister rises to his feet to answer, would he also tell us why he asked Mr. McMichael for his resignation, following certain allegations made about Mr. McMichael on A.Y. Jackson drawings, on west coast Indian artefacts, McIsaac donations from the west coast as well and on the Blunden Harbour totem pole? Has the minister now seen the refutations to those somewhat

scurrilous allegations made about Mr. McMichael? Does he in any way regret having asked Mr. McMichael so quickly for his resignation?

Hon. Mr. Baetz: Mr. Speaker, at no time and at no place did we ever ask for Mr. McMichael's resignation. I think the Leader of the Opposition should understand that perfectly well. Mr. McMichael tendered his resignation because he wished to serve in a different capacity as the full-time daily director of the collection, and for very understandable reasons.

I would like to set the record straight, Mr. Speaker. We did not ask for Mr. McMichael's resignation. I would hope the Leader of the Opposition would also correct the record and make that very clear.

Mr. Renwick: By way of a supplementary question, and will the minister please answer directly: Is it the intention of the government to terminate the agreement between the government of Ontario and Mr. and Mrs. McMichael as of April 2, 1973, as is provided in the draft bill which has not been presented into the House but which is available?

Hon. Mr. Baetz: I would simply reiterate it is not the intention of this government to renege on anything that was agreed to. The spirit of the whole thing was agreed to in 1965, and again in the legislation that was introduced in 1972 and took effect in 1974. Certainly we will be able to debate this more fully when the legislation comes before this House. In the interim I want to stress, repeat and emphasize that it is not the intention of this government to in any way waltz, or walk out or renege in any way on any agreements made with the the McMichaels.

We too, over here, recognize the value of this collection. We certainly have no intention of changing the spirit of the agreement entered into in 1965 and then enshrined in legislation in 1972 to take effect in 1974.

Mr. Smith: The minister says he never did ask Mr. McMichael for his resignation. I want to make clear the issue is not Mr. McMichael's resignation, because that is a fait accompli. But could the minister explain how it is that when I was on the telephone with Mr. McMichael some 30 minutes ago he told me that two days after the accusations were circulated about him on the subjects I have just outlined the minister spoke with him and said, "Bob, you had better resign." Mr. McMichael said, "Well, I really do not know that I should. I can refute these, but it is going to take me a long time to get the information." The minister said, "I have spoken

with Mr. Davis." He did not say Mr. Davis was alleged to have said he should resign—I want to be clear on that—but simply, "I have spoken with Mr. Davis." Mr. McMichael then said, "I thought that was pretty serious so I agreed to resign."

I want to know why he would tell me that if it is not so? Has the minister looked at the refutations Mr. McMichael has drawn up to the allegations and does he find them convincing?

Hon. Mr. Baetz: I am pleased to note the Leader of the Opposition referred to these as scurrilous allegations and that it is scuttlebutt. They are rumours and certainly I do not think we would do Mr. McMichael or Mrs. McMichael or that gallery any service in this House if we were to conjecture only on allegations that may have been picked up in the press. For that reason, I really do not think we should be continuing this debate and work on these suppositions at this time.

CANADIAN ADMIRAL

Mr. Cassidy: I have a new question for the Premier, with respect to the workers at Canadian Admiral who lost their jobs a week and a half ago.

Last week in the Legislature, the Minister of Labour (Mr. Elgie) said successive Ministers of Labour since 1975 have been urging the federal government to provide for greater protection for the wages of workers in respect of bankruptcies and insolvencies. Would the Premier tell the House if that is government policy? And if that is government policy, what steps is the government prepared to take in Ontario to also give workers greater protection in the event of a company going out of business?

Hon. Mr. Davis: Mr. Speaker, I think we have debated this on one or two other occasions and the Minister of Labour indicated what representations had been made to the government of Canada. I think the leader of the New Democrats is aware that bankruptcy provisions are federal in nature and that it would be impossible for a provincial jurisdiction to deal with this—

Mr. Renwick: The company isn't in bankruptcy.

Hon. Mr. Davis: Well, insolvency or whatever term one may wish to use.

Mr. Foulds: There is a big difference.

Hon. Mr. Davis: With respect, the basic issue is very similar. The minister made it clear this is a matter for federal jurisdiction, not for a particular province.

2:30 p.m.

Mr. Cassidy: Supplementary, Mr. Speaker: The company has recently been taken over by its bankers, and the bankers and bond holders are jostling for control. However, it has not gone into bankruptcy and is not under federal legislation and is therefore still acting under the laws of this province. Is the government prepared to make the necessary changes in an amendment to the Employment Standards Act so those workers can get their pay in lieu of notice—any back pay that is owed them, their holiday pay and the severance to which they are entitled before and not after the bond holders and other banks and so on are served?

Hon. Mr. Davis: Mr. Speaker, I cannot give that sort of commitment. I have some personal knowledge of the Canadian Admiral situation because, although it is located in Mississauga, a number of people who work there are constituents of mine. I think the Minister of Industry and Tourism (Mr. Grossman) made it very clear last week—I was here for his answer—that the ministry is working very hard to find an ultimate longer-term solution for the employees at Admiral. A solution is not going to materialize within the next two or three weeks, but the ministry feels some degree of optimism that some solutions can be found.

I cannot give an undertaking with respect to the legislation proposed by the leader of the New Democrats.

Mr. Smith: Supplementary, Mr. Speaker: Will the Premier look into a matter that is perhaps relatively minor but is none the less very troubling to the employees of Admiral? That is the matter of having their appliances repossessed because what they thought was an instalment plan is now suddenly a demand for a lump-sum payment? In the event some of these employees have difficulty raising the lump sum at a financial institution will the government of Ontario consider assisting them so they can keep their appliances during this difficult time?

Hon. Mr. Davis: Mr. Speaker, if the minister has not already started this I am quite prepared to look into it.

Mr. Kennedy: Final supplementary to the Premier, Mr. Speaker: Under the Bankruptcy Act employee benefits and wages are not secured but preferred creditors fall into that category. Successive Ministers of Labour have discussed these pieces of legislation with the federal government. Will the Premier discuss with his Minister of Labour the possibility of

approaching Ottawa to request again that they deal with this situation in order to raise employee benefits to the position of secured creditors?

Hon. Mr. Davis: Yes, I will be delighted to discuss this with the Minister of Labour.

ASSISTANCE TO FARMERS

Mr. Cassidy: I have a question for the Treasurer, Mr. Speaker, concerning the impact of interest rates on farmers in the province. The Treasurer will be aware that over the weekend the Deputy Minister of Agriculture and Food estimated the farmers in the province who are affected by high interest rates, far from being just one per cent, in fact control eight or nine per cent of the food production in Ontario. Almost one farm acre in 10 is therefore affected by the interest rate crisis.

What action is the government prepared to take, particularly when the Deputy Minister of Agriculture and Food has judged that the federal government's aid to farmers is nothing but cosmetic action? The action under the small business development corporation, which the Treasurer just said is a good action, is nothing but a kinky-dink measure?

Hon. F. S. Miller: Mr. Speaker, I will correct a phrase the member used. He said "small business development corporation"; it is small business development bonds that were referred to in the budget.

The small business development bonds were one of the measures requested by the Ontario Federation of Agriculture and others. It is a mechanism which, I trust the member knows, effectively reduces the interest rate to one-half prime plus two in most cases. Therefore it brings to the borrowers, be they small business people or farmers, available money at a lower rate of interest.

Mr. MacEachen did two things in his budget, as I understood it: he made money available at 11.25 per cent through farm credit to a maximum of \$200,000 per farm, and he made small business development bonds available through normal lenders for farmers in financial stress and trouble. He extended them for a further year. He also said he was extending them to unincorporated farmers, something that at one time was thought not to be possible, and he has also allowed refinancing with them.

I suggest it will take us a bit of time to study whether that will solve the problems of the farmers who are having difficulty.

Everyone is having difficulty with interest rate problems. The question is which people, be

they small business people or farmers, are in crisis because of interest rate problems. That is something we are trying to assess.

I told the member on Friday that people would be in Ottawa today reviewing the contents of the budget with Ottawa. We will go at least this far: it has a lot more take, rather than give, than a lot of people thought at first after it was read Thursday night.

Mr. Cassidy: If the minister believes, as he just said, that everybody is suffering from high interest rate problems, will the government tell the federal government, on behalf of farmers, small businessmen, home owners and workers, that it is time to bring those interest rates down?

Will the minister also promise to bring in a long-term program of adequate and affordable farm financing for farmers in this province rather than a bridging mechanism, which is all the Deputy Minister of Agriculture and Food talked about?

Hon. F. S. Miller: The long-term problem of farmers is one that is uppermost in our minds and one we are working on as opposed to immediate crises and problems of short duration. I am not just talking about the price of commodities. That is their immediate and most pressing problem, one that is compounding every other one they have. Those measures are being studied, and I assure the member we are going to work at solving them.

Mr. McKessock: Mr. Speaker, would the minister not rather guarantee a loan at 11 per cent than at 19 per cent? If so, will he guarantee the small business development bonds for the farmers?

Hon. F. S. Miller: Mr. Speaker, the answer to the first question is that I would rather guarantee low-interest loans any time, assuming a guarantee was in order. The honourable member led me to assume that by the way he phrased the question; he simply asked me which way I wanted to have it. If one guaranteed anything, obviously one would want to minimize one's risk, and a lower interest rate would do that.

Interest rates, by coincidence or any other means, dropped one and one half points last Thursday. I hope we will see that trend line continuing, but it probably will not be at the rate of drop we saw last week. There are now experts projecting that American rates may be as low as 12 per cent before long; if they are, there is every reason to believe we could be back, not into low interest money but into much more comfortable money, perhaps 15 per cent in Canada.

Mr. Cassidy: If the minister thinks 15 per cent is comfortable, he is living in Cloud-cuckoo-land. That is outrageous. Surely we could have an unequivocal statement from the Treasurer saying we should not just be coasting down if American rates are going down and rising up if American rates are going up. In Canada, we should have an independent interest rate policy that suits the needs of Canadian workers, manufacturers, home owners and farmers. Surely we should have an unequivocal and clear statement rather than this aping of the United States.

Hon. F. S. Miller: The leader of the New Democratic Party lost one word I said. I said "more" comfortable.

Mr. Cassidy: I didn't hear that.

Hon. F. S. Miller: The words "more comfortable" will be seen on the record. They are by no means low, but interest rates are relative. It was only two years ago that we thought 13 per cent was a horrendous rate, and the member knows that. As long as inflation is at 12 per cent, we are going to have money in the 15 or 16 per cent range, no matter whose policy we follow. Do we have an interest rate policy in Canada that is independent? Yes, it is. It is 250 to 300 basis points higher than the American one, and it should not be.

2:40 p.m.

MINISTRY ADVERTISEMENT

Mr. Sweeney: Mr. Speaker, I have a question for the Minister of Education. My question deals with the advertisement placed in the newspapers of the province last Wednesday and Thursday dealing with a review of the school year. Is it a fact that no consultation took place with any of the teachers' federations in the province with respect to the publication of that advertisement prior to it being published?

Hon. Miss Stephenson: Mr. Speaker, I believe there were discussions at the staff level about the fact that this was going to happen because it was announced, or at least alluded to, in Issues and Directions, which was released one and a half years ago.

Mr. Sweeney: I have been advised by the presidents of all the teachers' federations that they were taken completely by surprise by this advertisement. Given the motion of censure mailed to the Premier (Mr. Davis) about two months ago by the Ontario Teachers' Federation, is this another example of the breakdown

or deterioration in consultation between the minister, her ministry, and the teachers' federations of this province?

Hon. Miss Stephenson: There has been no deterioration and no breakdown. There are hundreds of contacts made every month at various levels of the Ministry of Education with the Ontario Teachers' Federation. The communications between the federation and the Ministry of Education have been voluminous and continue to be voluminous, and there are regular consultations at the ministerial level as well.

Mr. Smith: Mr. Speaker, since it was consultation with various groups like the teachers and others that led the minister to withhold any comment on compressing the 13 years of education into 12, does she now know that the secondary education review program report is out and calls for 12 years instead of 13? Does she still think it immoral to comment on this until a year from now?

Hon. Miss Stephenson: Unfortunately, Mr. Speaker, the honourable leader is quite mistaken. It was not consultation with teachers only, but consultation with the entire public. The discussion paper put out in May by the project steering committee asked for responses from the general public and from all interested groups. I was simply waiting until that group had had an opportunity to respond to the project review committee and the review committee had had a chance to collate that information and make its final recommendation. I think I was right. It was immoral to do it before that time.

Hon. Mr. Wells: Mr. Speaker, could we have the consent of the House to revert to statements? The Minister of Industry and Tourism has now returned, and he has a statement concerning Massey-Ferguson.

Mr. Speaker: Is there unanimous consent?
Agreed to.

STATEMENTS BY THE MINISTRY (continued)

MASSEY-FERGUSON LAYOFFS

Hon. Mr. Grossman: Mr. Speaker, I appreciate the consent of the House. Copies of the statement are being distributed now. I apologize for the lateness and my absence, as I was in northern Ontario this morning.

I do want to put some information on the record with regard to the critical situation at Massey-Ferguson. As the House is aware, that

company today announced the layoff of 1,750 employees in Brantford and Toronto, effective Friday, November 20. This layoff is expected to be temporary, and the company has informed me that recall is still expected in February.

Massey-Ferguson reports that this layoff is a result of a decision to shut down temporarily the combine operation owing to total saturation of the market for this equipment. With production so far in excess of sales, the company feels it must bring inventory within a realistic ratio to sales and thus reduce current operating costs to protect the long-term ongoing viability of the company. Massey-Ferguson has reported to us that continuing high interest rates are inhibiting sales and are a direct cause of the current layoffs.

It is important to note that this situation is not unique to Massey-Ferguson, as it is currently reflected in the overall performance of farm machinery and related industries in the North American market. John Deere has laid off 3,200 employees in the United States. As well, International Harvester has laid off 9,600 employees and Caterpillar has laid off 12,000 employees.

It is equally important to note that, since 1976, Massey-Ferguson has reduced its work force by 40 per cent outside of Canada, while reducing it by 16 per cent within Canada.

Massey-Ferguson is not in default of any of the terms of its agreements with the federal and Ontario governments. It is important to remember that government guarantee programs were entered into to allow Massey-Ferguson a chance to compete and survive in a difficult, high interest rate market.

We are satisfied that the company is being well managed in these difficult economic times.

I urge everyone to remember the importance of not placing any unusual stresses on Massey-Ferguson during this next crucial period of time; its reputation and its work force deserve balanced and fair treatment.

Our government, together with the federal government, will continue to monitor the situation, and I will report back to the assembly as appropriate.

ORAL QUESTIONS (continued)

MASSEY-FERGUSON LAYOFFS

Mr. Speaker: The member for Riverdale.

Mr. Renwick: I defer to my friend the member for Brantford.

Mr. Gillies: Mr. Speaker, I thank the honourable member for allowing me to ask a question of the minister.

In view of the very serious ramifications this layoff has for my riding, and while I appreciate his assurance that the loan agreement has not been breached, will he join with the city of Brantford and myself in urging the federal Minister of Industry, Trade and Commerce to bring Brantford under the umbrella of the industry and labour assistance program, which has a number of tangible benefits for the community in terms of supplementary benefits for unemployment insurance, relocation and incentive grants for industry, under which I understand the city of Windsor is benefiting in its current difficult times?

Hon. Mr. Grossman: Mr. Speaker, in view of the fact that there seems to be little enough in terms of federal industrial stimulation programs for Ontario, I will be delighted to join the member for Brantford in bringing pressure to bear on the federal government to help this community and others at this time.

Mr. Nixon: Mr. Speaker, does the minister not consider that four days' notice of that layoff does not give the employment office in Brantford much of an opportunity to assist in the relocation of even some of those workers during this layoff period? Will he not agree that the layoff should be postponed for at least 10 days so that some plans to accommodate the workers might be made by the offices that are already in place?

Hon. Mr. Grossman: Mr. Speaker, my colleague the Minister of Labour (Mr. Elgie) is closely watching the activities of the company to make sure that all the proper notices are given to the workers under the existing legislation. As well, as I indicated, the company is in compliance with all the terms of the agreement entered into between governments.

I can only remind the honourable member that for the time being the workers will remain in a situation where they will get, for the next few weeks anyway, about 95 per cent of their after-tax income; that will decline appreciably after the next couple of weeks, but for the next couple of weeks they will be in a relatively protected situation. As I say, the company is complying with all of the provisions, everywhere.

I am not sure it would be in the best interests of the company to do anything but to allow them to operate within good standard business prac-

tice, provided, of course, that at all times they stay within all four corners of the law and the agreements entered into with the governments.

Mr. Cassidy: Mr. Speaker, I appreciate the member for Brantford's reiterating the request that has already been made on behalf of the workers in Brantford by my colleague the member for Windsor-Riverside (Mr. Cooke).

My question to the minister is simply this: While he is prepared to make a request to the federal government, what emergency assistance is Ontario prepared to provide, or to help provide, for those workers, particularly in view of the fact that a large number of them did not have enough work in the Massey-Ferguson plant between the spring and now to become eligible once again for unemployment insurance, and in view of the fact that many of those workers are not qualified for the supplementary unemployment benefits referred to by the minister because they are only available to workers with 10 or more years of service?

Hon. Mr. Grossman: I want to make a couple of points, Mr. Speaker. First, any sensible scheme that would help the workers in terms of finding alternative employment will be looked at by myself and my colleagues in this particular period of time.

Second, I remind the leader of the third party that this ministry sponsored an industrial diversification study for that community some time ago, at the urging of the local member, to ensure that there was some good, clear analysis of some of the opportunities outside of the farm implements industry for that community, both during and after this crisis, which I hope will be a short one. I think the member will find that the mayor of Brantford and his council have found that study to be most useful and that they are most optimistic about the opportunities this government-sponsored study will bring to that community.

2:50 p.m.

Finally, while I appreciate the concern of all members of this House in asking questions on behalf of the workers and, indeed, we all have to be concerned about that, I have to say that when the leader of the third party reminds the members of this House that his colleague asked questions on behalf of those workers some time ago, it was that same colleague who strongly urged this House to withhold the passage of the Massey-Ferguson financing, which passage has allowed this company to get to today's date with some employment and with an opportunity to

hire back those workers. My colleague, on the other hand, has supported the refinancing package all the way through.

CANADIAN ADMIRAL

Mr. Renwick: Mr. Speaker, I want to revert to the Minister of Labour and to the question of the 1,200 employees of Canadian Admiral Corporation.

Will the minister distinguish, at least in reflection after the question is put today, between a company in bankruptcy which is under federal jurisdiction, and a company in receivership which is under the jurisdiction of the courts of this province with respect to the assets in this province?

Will he consider the introduction of legislation that will secure as a first lien and charge, ahead of all other claims on the assets of that company in Ontario, the moneys for termination, severance and other pay due and owing under the Employment Standards Act?

Hon. Mr. Elgie: Mr. Speaker, if I may take a moment to show that I understand the point that the honourable member is trying to make, let me reiterate that at present there is a tripartite task force of the federal government looking at issues related to bankruptcies and insolvencies. I understand what he is saying.

Mr. Renwick: This is not insolvency; it is receivership.

Hon. Mr. Elgie: I know the member was a great corporate lawyer once—

Mr. Foulds: He still is.

Hon. Mr. Elgie: —but let me try to explain my understanding of it.

Mr. Speaker: Order.

Hon. Mr. Elgie: The member was with a very prestigious firm at one time, so I know he acquired a great deal of knowledge about it. But let me tell him this: he knows very well that in this particular instance we have two situations to date. First, we have two banks that have intervened under section 88 of the federal Bank Act. Second, we have the Caisse de dépôt of Quebec that, on the basis of a debenture, has come in and made its claims.

Surely the member does not believe that bankruptcies and insolvencies do not have some relationship. He knows very well that unless they are dealt with simultaneously, we will have everybody going into bankruptcy to get a ranking under the Bankruptcy Act; so they have to be considered together.

In the meantime, we are continuing to evalu-

ate just what is owing to whom. As of today, we have filed a claim on behalf of 1,600 or so employees for about \$412,000 in vacation pay owing. We are continuing with that.

The member knows very well that the issues of insolvency and bankruptcy have to be dealt with simultaneously, otherwise there will not be any situations potentially salvageable. Everyone will go into bankruptcy to become secured creditors. Surely that is not what he wants.

Mr. Renwick: I say to the minister, it is not a question of argument, it is a simple question of fact. There is no trustee in bankruptcy. The receiver was appointed for the assets in Ontario to take possession of them. The receiver has possession of them. The title to those assets remains in the hands of Canadian Admiral.

I am asking the minister whether he will introduce legislation to give a prior claim for the moneys owing under the Employment Standards Act to those employees over all other creditors.

Hon. Mr. Elgie: I am really not sure what more I can say to the member, because I honestly believe, as I am sure he does in his heart, that the two issues are so intertwined that they have to be dealt with simultaneously. The task force is expected to report within the next week. We have continued to press the federal government over this issue and, although he wants to separate them and say bankruptcies are one thing and insolvencies are another, he knows they are intertwined. As soon as that relationship can be straightened out, we will be pleased to look at it.

STELCO DISPUTE

Ms. Copps: Mr. Speaker, I also have a question of the Minister of Labour. The minister is aware that talks will resume tonight in the 14-week labour dispute at Stelco. Since the dispute is the longest in Stelco's history and since some 12,500 workers and their families face financial ruin, is the minister prepared to assume his responsibility as the Minister of Labour and personally step in to mediate the dispute if the upcoming mediation efforts fail?

Hon. Mr. Elgie: Mr. Speaker, let me say from the outset that this minister and this government have recognized this dispute as very important, and it was with this in mind that I initially had advisers appointed, in particular the president of the Ontario Federation of Labour and the vice-president of Noranda, to endeavour to solve the problems that led to this strike early on. That did not work.

As the honourable member knows, the union was out on strike for several weeks and then commenced face-to-face mediation with the company at its own request. We remained in touch with them. After four to five weeks' progress did not appear to be satisfactory, particularly in the monetary areas, and a series of meetings involving mediators was then set up.

The mediation process broke down last Wednesday. I phoned the president of the local union, Cec Taylor, on Thursday and indicated my willingness to take any active part he wanted to suggest and to consider it; I have done the same thing with the company. We are keeping in touch with them for, as the member knows, today they are sitting down again in face-to-face negotiations. I remain willing to listen to anything they may have to request.

But, as members know, the members of that union have voted in favour of face-to-face negotiations without mediators, and I really do not think there is anything the Minister of Labour can do in the face of a voluntary vote by those workers to have that kind of mediation.

Ms. Copps: Since the company has stated publicly that the strike is helping to avoid massive layoffs in the industry, does the minister feel that strikes should be used as an alternative to layoffs, depriving workers of the right to economic assistance that would be theirs in a normal layoff situation?

Hon. Mr. Elgie: I do not want to get into any suppositions about whether people are bargaining in bad faith. I have not seen any evidence of that. If the member opposite has such evidence, then she should tell the union or the company about it, because there is a mechanism to deal with that. But I have no evidence or suggestion of bargaining in bad faith.

Mr. Mackenzie: Mr. Speaker, has the minister made any input into the application for and granting of an injunction to limit the picketers at the plant gates at the Stelco works in Hamilton? Was he asked for his opinion on the matter?

Hon. Mr. Elgie: No, Mr. Speaker.

URBAN TRANSPORTATION DEVELOPMENT CORPORATION

Mr. Foulds: Mr. Speaker, I have a question for the Minister of Transportation and Communications. Will the minister table the details of the agreement between the Urban Transportation Development Corporation and TIW Industries Limited of Ottawa to set up an entirely new

company to manufacture the transportation vehicles designed by UTDC for the Vancouver, Scarborough and Detroit rapid transit systems?

How much money is the government putting into it? Is it \$30 million or \$100 million? Why is the government using taxpayers' money to build an entirely new plant when there is already a facility in Ontario capable of building the cars, the Can-Car plant in Thunder Bay? Why is the government deindustrializing the north to industrialize eastern Ontario? Should we not be reindustrializing both areas of the province?

Hon. Mr. Snow: Mr. Speaker, first of all, the figures of \$30 million or \$100 million that the honourable member has suggested are, I suggest, nowhere in the ball park.

Mr. Foulds: What are you doing? You can't build new plants for less than that.

Mr. Speaker: Order.

Hon. Mr. Snow: UTDC has entered into a partnership agreement with TIW Industries Limited, an Ottawa-based firm, to construct an assembly and car body manufacturing facility at the Kingston research and development centre. This contract was entered into after five different companies, I believe, were asked to make proposals for the manufacture of these partial components for the intermediate-capacity transit system.

After the company fully reviewed the five proposals that were received, the management of the company made a recommendation to the board of directors, which approved entering into the contract with the TIW firm, as this proposal from TIW was assessed to be the best of the five proposals received.

As to tabling of the agreement between UTDC and TIW, I will take this matter under advisement and advise the member when I have talked to the officials of the company.

3 p.m.

Mr. Foulds: Will the minister table all of the proposals so that we can see the competitive stature of each of them and why it was that TIW Industries got it, when my understanding is they were the only firm with no experience in building transportation vehicles of any kind?

How does the minister feel about betraying the people of Thunder Bay in the Can-Car plant whose expectations were aroused by the statements of the Premier (Mr. Davis) during the last election campaign? Employment in that plant has been reduced from 1,200 to 138. Is that how they keep the promise?

Hon. Mr. Snow: I can assure the House that this government has always been very interested in supporting Can-Car.

Mr. Foulds: You have effectively deprived them of the market and of the next three important contracts.

Hon. Mr. Snow: The member's memory is very short. It was only a few short weeks ago that I announced I had signed a contract with the Hawker Siddeley Can-Car plant for \$59 million or \$60 million—

Mr. Foulds: That employs 138 men, and the plant has been reduced from 1,200.

Mr. Speaker: Order.

Hon. Mr. Snow: The member obviously doesn't want an answer. Over the past number of years we have supplied that plant in Thunder Bay with the majority of the business that company has had in that plant, including a further contract for \$60 million worth of bi-level GO Transit cars, which the company is gearing up to construct. That company has had a very major portion of all the rail car orders. In fact, up until now, they have had them all from this government. They have built every GO Transit car that is in the GO Transit system, and they will be building 71 new cars over the next two years to 30 months.

This contract was worth \$60 million. As time goes by, I fully anticipate there will be other proposals for the construction of this type of equipment.

Mr. Hennessy: Mr. Speaker, I am also concerned about the possible loss of jobs for 800 to 1,000 people in the district of Thunder Bay, and I wish to know what discussions were held between UTDC and Can-Car before the contract was let. What was the difference in price between TIW and the local firm?

The local firm has all the facilities, and I find it very hard to comprehend why the minister is going to get a \$10-million plant down here with no expertise whatsoever when there are 800 to 1,000 people who can do the job—

Applause.

Mr. Hennessy: Do members opposite want me to run for leader too? With all due respect, I am greatly concerned and, being a member of this government, I am more concerned, because I think the people of Thunder Bay will not accept it.

Hon. Mr. Snow: Mr. Speaker, I can assure the honourable member that the Hawker Siddeley plant in Thunder Bay was given every opportu-

nity to make its submission for this contract. I cannot guarantee that any one company can have a monopoly on every contract that is awarded for transportation equipment.

As I stated, proposals were requested from five companies, and the best proposal was accepted from the company.

AUTOMOTIVE HARDWARE DISPUTE

Mr. Kolyn: This must be the government's day, Mr. Speaker. I want to direct my question to the Minister of Labour. Automotive Hardware Limited has been on strike in my area for more than six weeks now. Can the minister tell the House what stage the negotiations are at and to what extent, if any, his ministry is prepared to assist in effecting a satisfactory outcome?

Hon. Mr. Elgie: Mr. Speaker, I think the member should know that company has been on strike now for a little over a month. Mediators remain in touch with both parties on a weekly basis or more frequently if it seems indicated, and they remain willing to bring the parties together for further mediation at any time. The member has reason to believe there now is a willingness on the part of both parties to get together. I am pleased to have that information and will advise my mediating staff.

WALKER BROTHERS QUARRIES

Mr. Bradley: Mr. Speaker, I have a question for the Minister of the Environment. The minister no doubt has read the press articles that appeared on the weekend concerning the fact that his ministry, in violation of the certificate of approval for the site, allowed radioactive materials to go to the Walker Brothers site.

Is the minister also aware that officials from his ministry allowed radioactive wastes that are 10 times the normal background radiation levels to go to the Walker Brothers site from the Exolon Company in Thorold? Can the minister explain whether it is common practice for his officials continually to violate the laws of this province as many people in the Niagara Peninsula are beginning to believe?

Hon. Mr. Norton: Mr. Speaker, that is a reasonably straightforward question to respond to. If the honourable member read the articles which form the basis of his research, he will see there are some clear statements from senior people in my ministry indicating what the response was as soon as they realized what had been going on in the Walker Brothers quarry. This goes back a few years.

As soon as the individual who was quoted

realized the materials going in were in contravention of our provincial legislation, although they had the express knowledge, authority and permission of the Atomic Energy Control Board, he immediately stopped it. That continues to be the case to this day.

In terms of any impact from the material that previously had gone to the Walker Brothers site, there has been a close examination of the material. It has been determined, for example, that the levels of detectable radioactivity are essentially at background levels in terms of any possibility of leaching. As I understand the situation now, some testing is being done to determine whether under different circumstances, such as different levels of pH, that might vary.

With respect to the original situation, which was done in conjunction with and with the knowledge of the Atomic Energy Control Board, I do not think one can fairly accuse my staff of being less than responsible, because they stopped it promptly when they realized the conflict that existed.

Mr. Bradley: Recognizing that there is a greater perspective on the whole problem of disposal of radioactive materials, in view of the fact that Norton still has some of these materials on its property and in view of the fact there is still some radioactive soil in Scarborough, when is the ministry and the federal government going to get together to provide this province with a reasonable site, acceptable to all, for these radioactive materials?

Hon. Mr. Norton: I ought to make it clear that I do not have a conflict of interest in this situation. I have no interest in the Norton company that is involved and, to the best of my knowledge, the people who do, or from whom it got its name, bear no relationship to me, blood or otherwise.

Mr. Bradley: I thought it was your company. That is why I asked the question.

Hon. Mr. Norton: I see; yes, just one of my sidelines.

Mr. Kerrio: They are in the abrasives business.

Hon. Mr. Norton: The member should know the last thing I would ever be in would be the abrasives business. It is not part of my nature.

There is ongoing work being conducted by a federal-provincial working group directed towards the location and establishment, ultimately, of a safe low-level radioactive waste site. That work is in progress. I cannot give the honourable member a specific date. Obviously, when a site

is located, extensive public consultation and hearings will be necessary to ensure that it can proceed.

3:10 p.m.

Mr. Swart: Mr. Speaker, is it not true that large amounts of radioactive material still remain at the Exolon Company and that they refrained from taking any further to Walker Brothers Quarries when the matter blew up last year? Is the minister aware that this is close to residents and close to many workers there? What are his plans for the radioactive material that still exists at the Exolon Company? Or has he just ignored it because there has been no public outcry or public knowledge of it until this time?

Hon. Mr. Norton: Mr. Speaker, the honourable member knows I would not do that. It is true there is material, I believe, both there and at the Norton site—

Mr. Martel: The Norton site? Is that your property?

Mr. Speaker: Order.

Hon. Mr. Norton: I have already dealt with that point.

It is my understanding that in both instances the material is safely contained, in some cases in a silo and in enclosed buildings. Where some is stored temporarily out of doors, it is under tarpaulin so it will not blow about. The level of radioactivity in this material is exceedingly low, so low that the Atomic Energy Control Board originally suggested an appropriate place for it would be the Walker Brothers Quarries, which we have subsequently stopped using.

I think we can safely assure the residents in the Niagara area and anywhere in proximity to those plants that the material does not present any hazard to them and it may well be necessary to continue to store it securely on those sites until such time as a permanent disposal site is located.

RAILWAY SERVICE

Mr. Samis: A question, Mr. Speaker, for the Minister of Transportation and Communications: Now that Jean-Luc Pepin has completed the first stage of his bludgeoning of Via Rail services in Canada, can the minister give the House some idea when we will know Ontario's final decision on the matter of assuming one, two or three of those routes? Second, can he outline to the House what criteria will be used in making that decision, whether they will be purely financial or whether other factors will be taken into consideration in making that decision?

Hon. Mr. Snow: Mr. Speaker, at the present time, officials of my ministry and the Toronto Area Transit Operating Authority are doing a detailed review of the three rail passenger lines in the Toronto area, that is Barrie, Stouffville and Peterborough-Havelock lines. We are looking at possible options we might be able to consider for both short-term and long-term consideration for maintenance of commuter service within that area by way of possible expansion of the GO Transit rail system into that area.

I do not have that detailed report yet. I have stated before that I hope to have the report and information in my hands to be able to make a recommendation to my cabinet colleagues before the end of this calendar year. In other words, I hope to have something before Christmas to put before cabinet. When I will be able to announce a definite decision. What action will be taken, of course, will depend upon when cabinet deals with the matter.

Mr. Samis: Can the minister explain to the House the basis of the statement made in the Toronto Star on November 11 by Quentin Payette, president of the Toronto-Barrie Train Passengers Association, who said he met with the member for York North (Mr. Hodgson) and was assured that the train would continue to run on the Barrie line? Also, the minister was quoted in the same article as indicating he might expand the train service to two trains daily instead of one.

Mr. Hodgson: On a point of privilege, Mr. Speaker: I said to the Barrie-Newmarket people that this government would not let them walk, it would provide a service for them.

Mr. Martel: On the point of privilege, Mr. Speaker: Based on what the honourable member has just said, maybe the government is going to do that on that line from Capreol right through to Winnipeg where there are not even roads.

Hon. Mr. Snow: Mr. Speaker, I am having some trouble trying to gather the question out of that statement, but I will say that where we do have a GO Transit rail line we normally have more than one train each day. I have met with Mr. Payette and his group of riders—and we had a good meeting, a good discussion—as I have met with the Peterborough-Havelock people and the Stouffville line people. In all cases, I recognize their desire to maintain train service; but there are limitations, as far as I am concerned, on the mandate of GO Transit to serve the commuters of Metropolitan Toronto.

We are looking at short-term options that could be entered into because, as I have said, it takes from four to five years to implement a full-service GO line, for which new signals, new stations and all the facilities have to be built. I have said we will look at short-term options as to how we can maintain limited rail transportation service once Via Rail service is discontinued, if it is, next September, but I do not have the details on all the costs and everything before me to make such a recommendation at this time; I hope to have that information within the next month or six weeks.

ASSISTANCE TO FARMERS

Mr. McKesock: Mr. Speaker, I have a question for the Minister of Agriculture and Food. In view of the comment by his deputy minister, as reported in the press over the weekend under the headline "Bankruptcies Hitting Best Farmers First, Top Official Warns," that Ontario lacks an agricultural policy and has not had one for years, and that if Ontario does not bring in some sort of financial program we will lose a lot of our most productive and efficient producers in the next year, what does the minister intend to do about this situation? What programs will he be introducing to help the farmers out of this high-interest squeeze?

Hon. Mr. Henderson: Mr. Speaker, it is important that this honourable member asked this question. If he were to take a look at the beef stabilization he would find that his own area has received about twice as much as any other county in Ontario under the beef stabilization plan. And he could look at many other programs that his own area has had the benefit of.

My deputy spoke his own words, and he has every authority to do that.

PETITIONS

PLANT LAYOFFS

Mr. Cooke: Mr. Speaker, pursuant to standing order 33(b) of the Legislative Assembly, the undersigned members of the assembly hereby petition that the annual report of the Ministry of Labour for the fiscal year ending March 31, 1981, tabled in the House October 13, 1981, sessional paper 181, be referred to the standing committee on resources development for such consideration and report as the committee may determine.

We are doing this because of the mass layoffs that are taking place at Massey-Ferguson, at

Canadian Admiral, at McDonnell Douglas and in the auto industry, and because of all the many hundreds and thousands of plant closures that are taking place across this province. It is about time someone in this Legislature took an interest, and we in the New Democratic Party intend to do that.

INTRODUCTION OF BILLS

TORDOM CORPORATION CONTINUATION AUTHORIZATION ACT

Mrs. Scrivener moved, seconded by Mr. Yakabuski, first reading of Bill Pr40, An Act respecting Tordom Corporation.

Motion agreed to.

VISITOR

Hon. Mr. Wells: Mr. Speaker, I want to draw the attention of the House to the fact that the former member for Yorkview, Mr. Fred Young, is sitting in the gallery today. I am sure we all welcome him back.

3:20 p.m.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, I wish to table the answers to questions 175, 186, 189, and 192 to 220, standing on the Notice Paper. !See Hansard for Friday, November 20..

ORDERS OF THE DAY

SPEAKER'S ROLE

Mr. MacDonald moved resolution 31:

That this House has lost confidence in the Speaker's capacity to exercise the responsibilities of the chair with adequate competence and impartiality, thereby resulting in frequent infringement of the privileges of individual members and jeopardizing the orderly conduct of legislative business. Therefore this House (1) urges the Speaker to resign and (2) establishes a committee made up of the House leaders of each party which would report back with an acceptable list of nominees for election by members of the Legislature of a new presiding officer.

Mr. T. P. Reid: A shameful day.

Mr. MacDonald: At the outset, Mr. Speaker, I want to deal with two or three procedural matters; the member for Rainy River's interjection makes it even more necessary. Last week one of the government back-benchers came

across to one of my colleagues and spoke of this motion as being a matter of embarrassment, and he hoped it would be withdrawn.

Mr. Speaker: Order, please. In moving the motion, I do not think you mentioned a seconder.

Hon. Mr. Henderson: He doesn't have one.

Mr. MacDonald: The seconder is the member for Windsor-Riverside (Mr. Cooke).

Some hon. members: Where is he?

Mr. Bradley: Let's find a seconder. Elie will second it.

Mr. Speaker: Order.

Mr. T. P. Reid: Now who's incompetent? You've been in the House 25 years, and you don't know the rules.

Mr. Yakabuski: You've been here 25 years, and you make a boo-boo like that.

Mr. Speaker: Order.

Mr. MacDonald: The member for Hamilton East (Mr. Mackenzie) is the seconder.

Mr. Speaker: It is moved by the member for York South and seconded by the member for Hamilton East. We are going to proceed with the debate on item 31 standing in the name of the member for York South. Proceed, please.

Hon. Mr. Sterling: On a point of order, Mr. Speaker: I understood that the member for Windsor-Riverside had seconded this motion on November 5. Are we going to have two seconders? Where is the member for Windsor-Riverside today?

Mr. Speaker: Order. It does not really matter as long as we have a seconder for the motion. The member for York South will please proceed.

Mr. MacDonald: At the outset, Mr. Speaker, may I deal with two or three procedural matters such as I indicated a moment ago, perhaps even more pertinent because of the interjection from the member for Rainy River. A government back-bencher visited one of my colleagues last week, and he referred to this motion as being a matter of embarrassment, as though it was out of order within parliament.

May I acknowledge that a motion of censure of the Speaker, while rare, is an acknowledged part of parliamentary procedure. If one reads May or Beauchesne, though they are not explicit on exactly how they should be handled, there are references to many occasions on which it has happened in the history of parliament. In our own standing orders, they are silent.

As I am going to quote from Philip Laundry on a number of occasions, I should identify him at the outset as perhaps the outstanding expert and authority on Speakers. He is the director of the research branch of the Library of Parliament at Ottawa. He is the author of a volume entitled *The Office of the Speaker*, which is perhaps the definitive work on the office of the Speaker. He has written many other volumes, some of which I will refer to at a later date.

Mr. Laundry said, "It is of course always open to members to criticize the Speaker's conduct by way of a substantive motion of which notice would be required. Such a motion, if carried, would undoubtedly result in the Speaker's resignation."

As we indicated in the House last week when this motion was first indicated, the last time this kind of motion was placed in the House of Commons in Canada was by the Honourable George Drew, the leader of the Progressive Conservative Party, in 1956 at the end of the pipeline debate. The last time it was placed provincially was in 1975 in the Nova Scotia Legislature, where the Speaker ruled it out of order because it referred to his conduct while not in the chair.

A second procedural point is the comment attributed to the member for Essex South (Mr. Mancini) in one of the newspapers to the effect that such a motion is unparliamentary. That comment is not worthy of spending much time on.

For the record, I quote from Philip Laundry in *The Office of the Speaker*: "The moving of a resolution of censure against the chair is necessarily a distasteful procedure," a point I would agree with, "but the right to do so is indispensable to the machinery of a free parliament." That is from the expert on the office of the Speaker.

Perhaps the most puzzling comments that have been made are those of the Leader of the Opposition (Mr. Smith). On November 6 in the *Globe and Mail*, he objected to the motion. He said: "It really could destroy a person and a career. . . I think it is too drastic. I think enough of him as a human being that I don't want to subject him to the terrible indignity of a motion of no confidence."

The proposition that a motion of no confidence is to be regarded as an indignity and a reflection on the individual passes my understanding. This House is replete in its procedures with motions of no confidence, such as motions of no confidence in the government which if

they succeeded would wreck a lot of careers, and motions of no confidence in individual ministers.

I remember many times when members, including many Liberal members, in consideration of the estimates of individual ministries, moved—ineffectively but at least as a symbol—a motion that the salary of the minister should be reduced to \$1 as an expression of no confidence in him.

I remind the House that if there was ever was a case where there was an effort to destroy a career by criticism, by the expression of no confidence in a minister, it was from the Liberal Party, and particularly its leader, with regard to the former Minister of the Environment, Mr. Parrott. He is not now in politics, and I suspect he is not because he felt it was not worth the candle in terms of the criticism he was getting.

That suddenly the Leader of the Opposition should become squeamish, when he has been so forthright on the issue until now, I find a little bit puzzling.

Mr. Nixon: Is that what this debate is supposed to be about?

Mr. Speaker: Order. Mr. MacDonald has the floor. Proceed, please.

Mr. MacDonald: Turning now to the substance of the motion, may I make this point, which should be recognized by everybody in this House and outside it: This motion does nothing more than to focus for a debate in this House the criticism that has been expressed in and out of this House time and time again.

3:30 p.m.

On the day I introduced the motion, in an article written prior to my introduction of it—it appeared in the morning paper and had been written the night before—the *Globe and Mail* on November 5 had an article captioned "Critics Call for New Speaker, Saying Turner Is Too Partisan." Let me read three paragraphs of that story.

"Ontario Speaker John Turner is too partisan, insensitive and inconsistent and Premier William Davis should replace him before he damages the workings of the Legislature, some opposition members say.

"I do not think the Speaker can think rapidly enough in the melee of debate to make the decisions that are sometimes required," Opposition Leader Stuart Smith said in an interview yesterday. 'I think we would be better off with a different Speaker.'

In a later paragraph in the story: "Criticism of

the Speaker began soon after he was appointed last spring, when he had difficulty controlling the unruly Legislature. In May, during one dispute, Conservative House Leader Thomas Wells suggested that Mr. Turner read up on parliamentary precedents."

We have had criticisms from both sides of the House, admittedly somewhat muted on the government side, but very strong criticisms. Indeed, the following day, on November 6, the member for Hamilton West (Mr. Smith) is quoted in the *Globe and Mail* as saying he "thought that Mr. Turner suffered from a 'lack of experience. . .and quick-wittedness' and was not creative enough to be effective." On the same date in the *Toronto Sun*: "Liberal Leader Stuart Smith said Grits won't support the NDP motion, although they wish Turner would resign."

I repeat, all this motion is doing is focusing criticism that has been made time and time again in this House and outside this House, and nowhere more vigorously than by the Liberal Party, particularly by its leader. If there is any embarrassment in this situation, it arises not from my resolution calling for the Speaker's resignation but rather from the inadequate competence and from the partisanship repeatedly illustrated in the conduct of the chair, which has given rise to this persistent criticism.

Where is the responsibility for this situation? Admittedly, in part, it rests with the Speaker. But the point I want to make is that the problem goes much deeper than that. Almost 10 years ago, this government saw fit to establish the Camp commission on the Legislature. The purpose of the commission was to review how this House operated, because the procedures of this House had become ossified by years of neglect, as was perfectly reflected in the new standing orders that emerged about the year 1970.

The comments of the Camp commission are rather worthy of our consideration at the moment. For example, they came to two conclusions: First, "The Office of the Speaker, and consequently the administration of the Legislature itself, has not grown and developed along lines consistent with modern parliamentary democracy." Second, "Although virtually all the Ontario government reports dealing with the matter recognized this fact and made worthwhile recommendations, none of these was adopted."

With regard to reports that had been prepared prior to the Camp commission for the guidance of the government for reform of our

procedures here, none of which had been implemented, the commission commented acidly, "We can only assume that the government, for its own reasons, declined to act upon the recommendations of these reports, or perhaps more likely there was a failure to attach sufficient priority to implementing them."

After reviewing the situation at Westminster and Ottawa, the Camp commission concluded as follows, and I think this is key to our consideration of this issue today: "The commission is intent on a similar independence for the Speaker and the Clerk in Ontario, and on emphasizing the privacy of their functions as officials of the assembly. Respect for the offices and a deep belief in the goodwill and high purpose of the Speaker and the Clerk are slow to develop. In these offices they are dependent on the ministry for the fulfilment of their smaller personnel and financial needs."

Therefore, as we know, there have been very great steps forward. In the wake of the Camp commission, which was accepted by this government—I remember very vividly Eric Winkler, the government House leader, rising and saying the government had accepted the Camp commission report—we established this Legislature as an independent body, in effect as an independent ministry, with the Speaker as the minister and with the Clerk of the House and the director of administration as deputy ministers. We established the Speaker as chairman of the Board of Internal Economy, which decides on what the expenditures are going to be without having to go directly to the government.

We established a standing committee on procedural affairs so the kind of impasse that had resulted in an ossification of our rules and procedures in this House would be corrected. It would be under the control of the members of the House to look for innovative ways to improve all our procedures.

The government accepted the Camp commission, it has implemented many of the things; but in one area, the independence of the two chief officers of this assembly, the government has refused to respect or implement the spirit of the Camp commission.

The Speaker began his career under a cloud. This House opened on April 21, a Tuesday, last spring. On the Thursday prior to the opening of the House—in other words five days before—the Premier (Mr. Davis) finally called the member for Lake Nipigon (Mr. Stokes), the former Speaker, and told him he would not be reappointed and his name would not be submitted.

Rather, a choice was going to be made from the government ranks. That evening or the next day the Premier approached the member for Burlington South (Mr. Kerr) and asked him if he would be the Speaker.

An hon. member: That is speculation.

Mr. MacDonald: There is no speculation at all.

Mr. Rotenberg: You do not know that.

Mr. MacDonald: I do know that. I happen to have done my research and sometimes it is better than the member's. The member for Burlington South by Friday apparently indicated that for personal reasons he was not interested in the position. Not until Saturday, three days before the House opened, was the member for Peterborough (Mr. Turner) called and told he was designated to become Speaker. He had one weekend to scramble to accommodate himself to the difficult task of knowing the rules, procedures and everything else in connection with the office of the Speaker.

As we have already noted in this House, not until Tuesday—literally two, three or four hours before the House opened—did the Premier call the leaders of the opposition parties and let them know what had happened. They knew over the weekend because it had gotten into the news but they were not formally so informed.

I suggest if we are looking at the problems related to the Speaker of this Legislature, part of the problem was the belated manner and the particular manner in which it was done. It reflected, I suggest quietly and unprovocatively, a great disrespect for the high office. I felt strongly enough about this that I wrote an article for the *Globe and Mail* which they published entitled, "Better Way Needed for Ontario to Pick Its House Leader."

Mr. G. W. Taylor: Did you get paid?

Mr. MacDonald: That is totally irrelevant. The honourable members might be interested to know that article was deemed in the academic world, among those who were studying the problems of reforming parliament, to be an accurate account of the problems in Ontario, problems which are reflected in varying degrees in other provinces. It is included in the fifth edition of *Politics: Canada* by Paul Fox which is one of the basic studies in political readings for students all across this country.

There is a second consideration honourable members should take into account when they are considering why we have gotten into this

situation which, in my view, is worthy of a vote of censure. The Premier ultimately chose a person who had no experience in the chair.

When my friend the member for Lake Nipigon was asked to become Speaker after the 1977 election, he was asked to become Speaker no doubt in part because it served the political purposes of the government in a minority situation to have an opposition member as Speaker. But I suggest the main reason was because he had acted as Deputy Speaker in this House and he had manifested some of the capacities necessary to cope with what has sometimes been described as the most unruly legislature in this country. That is why he was chosen.

3:40 p.m.

Yet in this instance the Premier saw fit to choose a man who had not had experience as Deputy Speaker, had not had experience as chairman of the committee of the whole House. I think I am correct in saying he had not been chairman of any standing committee and had never manifested any interest in or capacity for the very difficult task of chairing a big assembly such as this, particularly one with such a reputation for unruliness.

In other words, in making the appointment the government in this instance is still operating in the pre-Camp commission manner: namely, the appointment of the Speaker is really a choice of the government on whatever basis they see fit and it is no business of the rest of the House; they just rubberstamp it pro forma. The commission condemned that approach as destructive of the historical role of the Speaker. Yet that is what the government persists in doing.

Let me once again quote Philip Laundry, if I may. This is from an essay he wrote on legislatures, which appeared in *The Provincial Political Systems: Comparative Essays*, by Bellamy, Pammett and Rowat. In it he makes a very interesting comment at the beginning of his conclusions:

"The effectiveness of the legislature in the provincial system of government has sometimes been questioned. The story is told of the provincial member who, on receiving a request from a constituent for a copy of the rules of the legislature, replied by sending a signed photograph of the premier. Exaggerated though this story may be, some provincial governments in the past have shown a tendency to regard the legislature as another department of government."

That is our problem. The government still considers this Legislature not as an independent institution—

Interjections.

Mr. Speaker: Order.

Mr. MacDonald: The government regards the Legislature not as an independent institution freed of administrative subservience to the government but as another department of the government, as another adjunct to the Premier's office, and they consider the appointment of the Speaker as their prerogative. It is wrong.

Mr. Rotenberg: You just cannot accept majority government.

Mr. Martel: What has majority government got to do with it?

Mr. Speaker: Just direct your remarks to the chair, Mr. MacDonald.

Mr. MacDonald: May I remind you, Mr. Speaker, and some of those who are interjecting from the other side of the House, that in the Mother of Parliaments, which on occasion is cited as a model we should follow, the Speaker is chosen by the House leaders and the whips, who meet as a committee. They discuss possible nominees, and if any party objects to any name it is usually not put forward. It is a totally consultative and unanimous process.

When they do come up with a name everybody is happy with, he is not nominated by the Prime Minister and seconded by the Leader of the Opposition; he is nominated by a government back-bencher and seconded by an opposition back-bencher as a symbol of the fact that the presiding officer of the House is the chief servant of the House and not a servant of the government. And may I say to my friend the honourable member for Wilson Heights (Mr. Rotenberg) the government has to realize this is fundamental, whether it has a majority or a minority.

Mr. Rotenberg: Is there anybody you would accept?

Mr. MacDonald: Yes.

Let me move to another aspect of this problem, Mr. Speaker, with a couple of quotes, again from the Leader of the Opposition. On November 6 in *The Globe and Mail* he is reported to have said the Speaker "relied too much on the advice he is given by the Clerk of the House." And in the *Sun* on the same day was a quotation that said, "'Turner is not deliberately biased,' said Smith, 'but he makes partisan rulings due to bad advice.'" In other words, the

Leader of the Opposition has specifically said the problem does not rest with the Speaker. He is not deliberately biased; he is biased because of the advice he is getting.

This is another nettle we have to grasp. Our Speaker is an arch-traditionalist; he is a servant of the Legislature, yes, but when the chips are down and when there is a conflict between the government and the Legislature, our Clerk has always been, is today and always will be a servant of the government. Once again, I am not saying anything that has not been said many times in commentaries on this situation. Indeed, the member—

Mr. Speaker: Mr. MacDonald, I would ask you to direct your remarks to the motion, please.

Mr. MacDonald: Fine. I am speaking about problems in relation to the Speaker.

Mr. Speaker: Speak directly to the motion, please.

Mr. MacDonald: Part of the problem in relation to the Speaker, as the Leader of the Opposition has pointed out, is the bad advice he is getting from the Clerk.

Mr. Speaker: That is an opinion.

Mr. MacDonald: It is strictly within the confines of the motion. What I was going to draw attention to is a statement by another member of the Liberal Party in the public comments that were made last June when the Leader of the Opposition was named and thrown out of the House. My honourable friend the member for Renfrew North (Mr. Conway) was quoted as saying, "The Clerk is the most partisan man in the Legislature."

That is perhaps a little exaggerated, but the Speaker has been burned more than once because of the advice he got from the Clerk. The classic example last spring occurred on one occasion when the Speaker was delivering awards to a neighbouring riding held by an opposition member. When he was criticized for indulging in activities that were not appropriate for the Speaker, he said he had received legal advice; he got that legal advice from our Clerk.

He has been around here for all of these years, and while it may, by some tortuous thought process, be deemed to be legal, it was not an ethical thing to do. Indeed, the Speaker summed it up beautifully in the hallway in front of the Legislature in speaking to a member of the media when he said, "Next time I won't seek legal advice. I will just use my own common sense."

Our problem is graphically illustrated by the way in which, Mr. Speaker, you handled the John Holtby affair, the dismissal of the First Clerk Assistant in this Legislature. On August 18, the House—

Hon. Miss Stephenson: Is there a reason for all this?

Mr. MacDonald: Right, you bet there is.

On August 18, Mr. Speaker, you wrote a letter to Dr. E. E. Stewart, the deputy minister in the Premier's office, the first two or three paragraphs of which read as follows:

"I have today advised Mr. John A. Holtby, the First Clerk Assistant, that I will not be recommending his reappointment. By receipt of this letter, I will advise you, and through you the cabinet, of this decision. Let me hasten to say this decision has not been taken lightly or in haste. After consultation with all parties, it is apparent to me there is irreconcilable conflict of personalities which makes my position very difficult, to say the least."

In the first place, may I respectfully suggest if a top officer of this Legislature is going to be dismissed the matter is not to be communicated to the government, because this assembly is not another branch of the government. This assembly is a separate independent institution. If a top officer is going to be dismissed he should be dismissed after consultation with an appropriate committee representative of all parties in this committee. Only in that way will it be an independent institution.

Not only did you indicate that in your view—and it was publicly perceived as such—you were responding to your masters and your masters were in the cabinet office, you also said you had consulted with all parties. The fact is you had not consulted with any party in the political sense. You may have talked to the individuals involved but none of the opposition parties had been consulted. The result was the Leader of the Opposition wrote a letter to you, in which he said, and I quote:

"I would hope that all important personnel changes among your senior advisers would be made, as recommended by the Camp commission, only in consultation with senior representatives of all parties, and would not be unduly influenced by the government of the day."

3:50 p.m.

The Leader of the New Democratic party wrote, similarly, as follows: "First, I would ask you to meet and to consult with the three House leaders over why you propose to dismiss Mr.

Holtby, what other changes may be contemplated in the Clerk's office and what changes in personnel might be suggested by way of other parties." Presumably, Mr. Holtby went because there was objection from the government side of the House that has translated itself into a personality conflict with the Clerk. The supreme irony of it is that John Holtby, who was a champion both in approach and in philosophy of an independent Legislature went, and the man who is a champion of this Legislature being just a branch of the government and the Premier's office stayed. So the source of our problem is still with us.

I will not say anything that has not been said 100 times along these halls. I suggest the time has come to stop sweeping this issue under the rug, to stop pussyfooting. The time has come to insist this Legislature be established on an independent basis from the executive branch of government. That is what the Camp commission recommended. That is what you accepted when you accepted the recommendations of the Camp commission, whether you realized it or not.

Camp pointed out the key to the independence of the Speaker and the Clerk can be achieved both in perception and reality only when the Legislature's two top officers are appointed or elected by the Legislature, with nominations being made by designated spokesmen of all parties and not by the unilateral decision of the government itself.

That is what they do in the Mother of Parliaments. That is why, in the event the Speaker responds to this motion and resigns, the Legislature, as my motion requests, should then appoint a committee made up of the House leaders to report back with acceptable nominees for election by members of the House of a new presiding officer.

Finally, there is perhaps the most bizarre aspect of the whole situation: The Liberals have indicated they will not support this motion. Nobody has been more devastating in criticism of the Speaker than the Leader of the Opposition. I quote: "I do not think the Speaker can think rapidly enough in the middle of debates to make decisions that are sometimes required." "The Speaker lacks experience and quick-wittedness." "The Speaker is not creative enough to be effective." "I think it would be better to have a different Speaker." These are all direct quotations from the Leader of the Opposition, reported in the press.

All of that, surely—if the English language

means what it says—adds up to no confidence. The members cannot have it both ways. Having been a tiger in words it is not credible to now become a pussycat in action.

The Star's editorial last week, entitled, "Speaker Turner Should Resign," was, ironically, published on Saturday, two days after my motion introduced in the House, and two days after the Liberals had indicated they were not going to support it. Yet strangely enough the Star editorial writers indicated the Liberals were going to support the New Democratic Party motion. I do not know whether the Liberal editorial writers knew something we do not know or whether they were just naive enough for a fleeting moment to think the Liberal actions were going to be consistent with their words.

I invite the members of the Liberal Party not to sacrifice something as fundamental as getting this Legislature back on the rails to short-term political objectives. I invite the members to accept their responsibility as the official opposition in the House and to act in a manner that is consistent with the criticisms they have made.

My final word, Mr. Speaker, is to yourself. I want to quote again from Philip Laundry in his article on page 283 in *The Provincial Political Systems*. He said, "Complete confidence in the Speaker's impartiality is obviously essential if the rules of procedure are to operate smoothly and if he is to be associated with the process of procedural reform."

It is clear as far as the New Democratic Party is concerned, and it is equally clear on the basis of the words and the criticisms uttered repeatedly by the members of the Liberal Party outside this House, that you, Mr. Speaker, no longer have the confidence of two of the three parties in this House.

I want to put on the record how the Toronto Star editorial concluded its comments because I think it rather sums it up: "It may be that Turner was never given a fair chance to learn his difficult duties in the first place, but clearly this argument is no longer relevant. The reality is that, fairly or not, Turner appears to have irrevocably lost the respect and confidence of two of the three political parties at Queen's Park. This places him in an impossible position."

That is the conclusion Philip Laundry comes to. I respectfully leave it to your judgement, Mr. Speaker.

Mr. Smith: Mr. Speaker, I intend to speak

briefly on this matter and to present the viewpoint I believe is held by the Liberal Party, the official opposition at this time.

We shall not be voting for the resolution as outlined by the honourable member for York South. I want it clearly understood, however, that our vote against that resolution should not in any way be regarded as support for the existing system, a system which falls short of what is desirable in terms of the amount of consultation that should occur in the appointment of senior officials and in their promotion and/or dismissal.

I believe the honourable member for York South is correct when he speaks of the fact we need reform along the lines of the Camp commission with respect to the senior officers of this House. I believe the Speaker should be regarded as a senior officer of this House in that respect.

The Speaker will know that, in the instance of his appointment, there was not sufficient consultation. It was explained to me at the time that personal circumstances precluded such consultation. I accepted, as the Speaker well knows, the explanation given to me by the Premier, who is an honourable man. I have nothing more to say, therefore, on the consultative process with regard to this appointment.

In general terms, however, I think it fair to say there tends to be insufficient consultation on the decisions made that pertain to senior officers of the House. I do not intend to return to that aspect of the topic.

Similarly, our failure to vote for the resolution of the member for York South should not in any way be regarded as support for the government. In fact, we have tabled today a no-confidence motion with regard to the government on the topic of the Suncor dealings and the failure to release information pertinent thereto.

Similarly, I think it is important no one regard our vote in this matter as an indication of whether we might prefer some other individual, some other member of this House, to occupy the Speaker's chair. I know there are worse members of the House who could occupy this chair who would be available if this Speaker were not there. I also believe there are better members of the House who could occupy the chair the present Speaker occupies.

The fact, however, is not whether we might prefer a different Speaker. The resolution, as we understand it, is a serious and grave matter of singling out the Speaker for the censure of the House which is what a lack of confidence

implies. We take that matter extremely seriously. We believe the present Speaker has weaknesses, but we believe there is only one kind of deficiency, one defect that would justify this resolution being passed by the House. That would be deliberate partisanship. If there were deliberate partisanship we believe the resolution would then be justified. It is our view that such deliberate partisanship is not to be found in the present Speaker, and that is basically the reason we will not vote for the resolution.

4 p.m.

There are a number of secondary reasons why we are not going to vote for the resolution. The main one, as I have already said, is that the passage of such a resolution is simply too drastic. The present Speaker, in our view, does not deserve to be singled out for such a drastic decision. To have his name go down in history as someone sanctioned by this House in this way, in our view, is not deserved by the incumbent Speaker. On a personal level, we think he is a very fine human being and we like him as a person, whatever we may think of certain decisions he has made as Speaker. In addition to that we believe it is a drastic action to take in the absence of deliberate partisanship. I do not believe there is any evil intent in the decisions made, even if we sometimes feel the outcome of a decision favours government as opposed to opposition.

I will give as an example the matter of defining what a "compendium" consists of. The Speaker presented us with advice he had received and considered, and which presumably he had come to believe, that indicated a compendium was essentially anything the government said it was, be it a Mickey Mouse comic book or a copy of some ancient speech given by some minister. I believe another Speaker might reasonably have said that, although that is one construction that could be put on the rule, another construction might be that a compendium must be what a reasonable person would regard as material truly pertinent to the background of the matter under discussion.

I feel the advice being received by the Speaker frequently seems to interpret only one kind of construction placed on the rules and that tends to favour the government. Personally, I believe Mr. Holtby's dismissal stems from the same style of reasoning. I did not know Mr. Holtby well and I cannot speak at length about him. I am sure he would not wish me to do so. What little contact I had with him indicated to me he always tried to be objective and tried as

hard to see the opposition view as the government view. It is my feeling this willingness to accept that the opposition has a legitimate view in a democracy is one of the reasons Mr. Holtby was dismissed and why he was found to be incompatible with certain of his colleagues in senior office.

We do not want the Speaker to be censured in this way and that is partly because we do not want to deflect attention from the real problem in the conduct of the affairs of this House. The reason the House has been such a bitter place, the reason there seems to be so much negative feeling in the House, does not stem, in our view, from the Speaker. Nor does it stem from a refusal on the part of the opposition to accept the realities of March 19. It stems entirely from the unparalleled arrogance of the government of Ontario since it gained a majority.

I would point out the way in which the opposition has been blocked in its efforts to ask reasonable questions on the matter pertaining to Re-Mor and Astra Trust. I would point out the way the government has used its majority to prevent us from investigating the Argosy matter, the Co-operative Health Services matter, and to prevent the select committee on Hydro affairs from being reconstituted. The government has also used its majority to prevent the Vaughan township matter from being discussed properly.

More recently, the grand champion of them all, was the way the Suncor matter has been dealt with. The Premier had the audacity to rise in the House as we came back from our summer recess to announce one of the largest and most significant expenditures in the history of Ontario and then tell us if we wanted information we could attend his press conference a few hours later.

The arrogance that has subverted the democratic process in this chamber has a person who is responsible for it. That person, however, is not the Speaker, who currently occupies the chair. It is the Premier of Ontario, who seems to have been waiting so long to recapture his majority that he is unable to recognize the limits that go even with majority government if democracy is to have a meaningful role in Ontario.

Unfortunately, because of other duties, it may not be possible for me to return for the vote. I will try to do so. If I get here, I shall vote against the resolution. If I do not get here, Mr. Speaker, you know I would have voted against

the resolution. This does not mean I am happy with the way things have gone on in the House. I have expressed that fairly clearly.

I believe the bitterness and division, the rancour that exists in this House, the bitter feeling that none of us can be very happy about, stem entirely from the unparalleled, untrammelled arrogance of the Premier and the government of Ontario. That is why we will not vote to single out the Speaker as having any responsibility at all in this regard.

Mr. Villeneuve: Mr. Speaker, it is a privilege for me to rise to express my full support for the way in which our Speaker has discharged his responsibilities since the Thirty-Second Parliament began to sit last spring. Recent events make clear why his is such a thankless job. In essence, he serves 124 masters. Given the interest on the part of those whom the voters of Ontario chose to be Her Majesty's loyal opposition in maintaining a posture of concern and dissent, over time the Speaker is bound to find himself in situations where he has to make decisions that may not accord with everyone's wishes. How could it be otherwise?

The position of Speaker has been compared to that of an umpire in sports competitions. The losing side in any given decision may find itself having to accept unfavourable decisions with good grace. Our entire parliamentary system emanates from a tradition in which fair play and good sportsmanship are encouraged as prized qualities. The Speaker, like an umpire, has very little control over the quality of play. He simply applies the rules. The players themselves control the calibre of their performances.

I have examined the record of the past couple of weeks with particular attention in preparing to speak today. When one has sat through the tumult and heat of emotional debate, it is always amazing to read the transcript—minus the shouting, of course. The cold, hard, logical facts are that our Speaker conducted what must have been one of the most difficult debates ever to take place in this House, and he did it with a firm grasp of the rules as presented in the standing orders.

One realizes, too, how often he is courteous and patient with members on all sides. It occurs over and over again. It is on the public record. He frequently takes pains to explain to members, who are not always so patient or so polite with him, which of our rules he is referring to and how it is being applied. Inevitably, he is right. I am afraid this courtesy is not always

appreciated and not always returned. I would urge upon all members of this House that it should be a reciprocal matter.

4:10 p.m.

Over the years, and based upon our inherited traditions, it is we who have created the rules of debate. In most cases, there is a good historical reason behind each of them. They have been developed and amended over time, with plenty of participation from both government and opposition members. They were accepted, as currently written, through two minority governments when the opposition could have used their numbers to change these rules had they wished. They did not. They accepted the standing orders, because they represent the rules of the game that we need to deal with the business that comes before us in the Legislative Assembly of Ontario.

I believe it is always important for us to remember that the people who place their trust in us to serve them as their government must find displays of discourteous conduct to be disconcerting. I cannot help but wonder whether we undermine the confidence that our constituents have in us when we act in an emotional way in this House.

Certainly, we have been witnessing rather extreme behaviour in recent weeks. I urge all honourable members to reflect upon the consequences of this type of behaviour. It is, if you will forgive me for saying so, sir, a low calibre of play.

If one examines the transcripts, one sees the purported partiality of the Speaker is not even an issue. Really, he has been acting in a consistently fair and judicious manner. Thus, we must ask ourselves whether the accusations do not more truly reflect on ourselves.

In essence, that is what disturbs me. By calling foul on the umpire, as the honourable member's motion of censure does, it calls into question the quality of participation in the affairs of this House that is brought to bear by ourselves.

Our type of government has evolved over a long period of time. Tradition, precedent, convention, the rules of the game and a sense of fairness and justice are at the heart of our ways of proceeding, but they are only as valuable as the participants are willing to make them; they are only as good as we are.

I regret that we are having this debate. In the 33 years that I have served here as a member of this House, I have to say that this is perhaps the low point. I am sorry that the honourable

member, for whom I have the greatest respect because he is of above average intelligence and he has contributed a great deal to this Legislature and to the welfare of the province over many years, saw fit to move such a motion, because I am sure, sir, that you are not without feelings. Anybody would feel the same way.

I want to remind members of the only perfect man who came to this earth to safeguard the welfare of the people. The people of that day saw fit to crucify Him. I suppose, living in this generation, we are bound to have people and sources who try to take revenge on things they feel are not favourable to them.

When I look around and see the back seats filled with these brilliant young government members, and the depleted forces over there, I can recall in 1948, when 21 of those members were the official opposition. By the end of the election in 1951, they were down to two. They are a sinking ship now, and this type of motion will deliver the same results when the next election comes.

I repeat that I regret we are having this debate. In the years I have been a member of this House, I have learned to feel a strong respect for it. The record attests to the fairness, even-handedness and tolerance of the member for Peterborough. He has been unfairly harassed by members of the opposition from the time he assumed the position. Yet he has never responded in anything other than a gentlemanly way.

I believe, in moving no confidence in the Speaker, the honourable members opposite are using the rules and procedures of this House in an attempt to go beyond the bounds of a legitimate disagreement with the government's point of view. This is not the appropriate way for members elected to a democratic Legislative Assembly, such as ours, to proceed.

Thousands of people have been involved over the centuries in developing the methods of proceeding we use in this chamber. Certainly there is opportunity to express dissatisfaction with those traditions as needs change over time. In fact, we have the standing committee on procedural affairs to do the job of examining our conventions and rules. In general, the public we are bound to serve has been able to get quite satisfactory results from our traditional ways of doing business. We must, however, treat these rules in the parliamentary tradition with respect. I am afraid it is a lack of the proper and appropriate respect that gives rise to this motion.

I am afraid if we do not act with the greatest of respect for the rules that moderate our behaviour in this House, then it is questionable whether we can expect the people of our province to show respect for the laws we enact on their behalf. Surely the wellbeing of this institution as a whole and the place of respect it is accorded in the eyes of the public are more important than for any of us as individuals to use it as an opportunity to vent our privately held frustrations.

I ask the honourable members opposite to weigh and consider very carefully whether it is appropriate to proceed by means of looking for loopholes in our rules. I do not feel it is in any way to the benefit of the people we serve for us to proceed along these lines.

I regret again that this motion has come before us. It calls into question the integrity of an individual who has served his province faithfully. It distorts the rules and objectives of this institution. It is a tactic that can only serve to diminish the efficient functioning of this House.

Mr. Stokes: Mr. Speaker, I do not think there has been an occasion in this House since I have had the privilege of being a member of it when I have been urged to get into a debate that has such far-reaching consequences on our assembly as an institution of parliamentary democracy.

I am participating in this debate, Mr. Speaker, because I feel I have a moral and compelling responsibility to do so, not because I intend supporting the motion but because I am the only sitting member of this Legislature who has been given the honour and responsibility of occupying the chair you now occupy.

4:20 p.m.

I suppose one of the most compelling reasons for entering this debate is to empathize with you, because unless one has been there, unless one has seen the forces at work, the push and pull on the Speaker—who is the protector of the rights of all members, a judge who mediates, conciliates and arbitrates and delivers the final word in the interpretation and enforcement of our standing orders—one does not realize that not only must your actions seem to be fair, firm, impartial, nonpartisan and consistent, Mr. Speaker, but also they must be that.

In his statement made previously, the member for Stormont, Dundas and Glengarry said the standing orders have stood us in good stead over the years because the combined opposition

during the minority parliaments of 1975 and 1977 had an opportunity to change any or all of those rules if they wished to do so.

I want to speak on my own behalf for the time I occupied the chair, and I am sure I speak on your behalf, Mr. Speaker, in saying that the only way you or anybody else who occupies that honoured position is going to be able to speak on behalf of and be the protector of all of the members of this Legislature is through a complete revamping of our standing orders.

We hear day after day in this House someone getting up on an alleged point of order or an alleged point of privilege, when all Speakers, including myself, have ruled almost invariably that a good 90 per cent of those submissions were neither points of order nor points of privilege.

Yet if one wants to refer to Beauchesne or Erskine May, or any precedent at any of the seats of government or parliaments, one will find there is no unanimity as to precisely what constitutes either a point of privilege or a point of order. There is nothing in our standing orders that clearly tells us what kind of information must be tabled by way of a policy announcement by the government or a compendium as a result of a bill that is introduced.

As a matter of fact, in connection with this motion, there is certainly some doubt in my mind as to whether there is a clear understanding of how a private member introduces a private member's motion of this type. I must confess to you and to all members of this House that I have not been able to find anything that clearly and unequivocally justifies the motion that is before us at this time. However, you in your wisdom did accept it as a substantive motion, and you said you required 24 hours' notice in writing. I am not sure I would have agreed with that had I been in the chair; I see nothing in the standing orders to indicate clearly that you were right on that occasion. Given the nature of the motion, however, I am sure you did not want to be seen as stifling this kind of debate, which would clear the air once and for all concerning the responsibilities of the chair as a servant of this House.

I do not think a week goes by here when we do not mull over the standing orders and ask, "Is there really a precedent for what we are doing?" I want to suggest to the House—and I am second-guessing you, sir—that in the situation which arose on the evening when the closure motion was introduced in this House, you concluded quite correctly that we had reached

the point of grave disorder and that the only alternative left to you was to call for a 10-minute recess, not only so that you could clear things in your own mind but also so that all members of this House would have an opportunity to cool down and reflect on what they were doing.

I think it was clearly unfair on that occasion, when the House in its wisdom chose to turn the clock back and unname certain members just to get the whole process back on the rails, for your advisers and the House leaders to ask you to come into this House and say: "Let us turn back the clock. Let us forget that certain events ever happened, and let us get on with whatever works."

No one appreciates any more than I the fact that this House is supreme; its members in their collective wisdom can do anything they wish to do as long as it is legal and does not involve criminality. But on that occasion it should have been the responsibility of this House to turn the clock back, and that could only have been done if you had come in to the House, reported what your advisers had said and then let it be the responsibility of this House, not you, to reverse your decision on that advice.

The House is supreme; it can do anything it wants to do with regard to the standing orders. I think they did you and the office you hold a disservice in asking you to report back to the House the results of your consultations. That gets to the heart of what I really want to say, because you as the protector of the rights of each and every member of this House are in the unenviable position of having to be the judge and the jury and of having to set the mood and the tempo of the deliberations of this House.

4:30 p.m.

In the case of any kind of—I will not call it interference—advice you receive that causes you to reverse your position to get out of a particularly distasteful situation, I think it is the responsibility of this House to act in a way that it should be held responsible for any violation or changing of our standing orders. I am not saying they cannot do it; I am saying they should do it. It is unfair to ask any Speaker or any presiding officer to bear the brunt for a particularly distasteful position, with the chair being perceived as reversing its position just because it is a nice, easy way for the House and all its members to get off the hook.

I think that this House did you a disservice on that occasion, sir. I also say that if the advice you get on other occasions is seen to be inconsistent and, by some who have spoken

here today, if it seemed to be partisan, that is the responsibility of this House, all 124 members, and not you, sir.

A lot of members are not aware of the fact that, as a result of the Camp commission, and the Morrow committee which studied the five reports of the Camp commission, a very onerous task was placed on the Speaker. Prior to the implementation of those recommendations, the Speaker was the chief presiding officer almost solely, and the administrative function of the Office of the Speaker was minimal, to say the least.

Most of the junior members in this chamber really do not appreciate the day-to-day pressures that are put on the person who occupies that office on our behalf. It has a budget of \$30 million, and the Speaker is chairman of the Board of Internal Economy and the chief administrative officer of the Office of the Assembly. If the members do not think that is an onerous responsibility, just ask anybody in the Speaker's office the number of detailed decisions that the Speaker must make on a daily and on a continuing basis.

Ask the Speaker or anybody who is associated closely with him the number of evenings he has to give up, the number of weekends he has to give up as the president of the Ontario branch of the Commonwealth Parliamentary Association in looking after protocol on behalf of this assembly and on our behalf.

We must be absolutely certain that we have the very best backup people assisting the Speaker in those very onerous responsibilities. We must have people sitting at the table who can be absolutely consistent in the kind of advice offered to the Speaker, because that kind of advice transfers, and the responsibility of the nature of that advice transfers from you, Mr. Speaker, to that table, where it must be thorough, firm, nonpartisan, impartial and absolutely consistent. If you are not getting that kind of advice, if you cannot rely totally on that kind of advice, I do not think you, the Office of the Speaker, this assembly, its members and the people of Ontario are being well served. Believe me, sir, I have been there, so I know of what I speak.

Let me remind all honourable members that we, individually and collectively, are charged with the responsibility of governing this province. Not just the Premier and the cabinet, not just the party in power, but each and every one of us shares that very important and onerous responsibility. As I was sitting here watching

and listening to the proceedings a little earlier today, I noticed the government House leader got up when there had been some questions asked about a very important problem—I think it was the layoffs at Massey-Ferguson. He indicated the Minister of Industry and Tourism (Mr. Grossman) would be a bit late but he hoped this assembly would give unanimous consent to revert to statements so that minister could apprise the House of what was going on and share the latest information with us.

That is taken very lightly by people who may have been listening, taken for granted by people in the press, and it is taken all too lightly by the members of this assembly.

This House is supreme, and according to our standing orders, any one member withholding consent could have prevented the minister from making that statement. Those rules we have are for the most part those that have been handed down from parliament to parliament over the decades. I do not think members of this House fully appreciate just how delicate this process is and how one dissenting voice could upset it. I may be overly dramatic in using that instance. I use it simply because it happened today, but one member of this House could have denied the opportunity for that minister to report something of urgent public concern.

We have heard in this assembly so much about the realities of March 19, and that bothers me. I know this is a very partisan place; I know people will use every opportunity to gain political advantage to highlight something they want to bring before the House and get some coverage on.

I do not think the reality of March 19 has anything to do with the way in which we conduct our business in this House—absolutely nothing. I am sure you, sir, while observing the way I attempted to lead this House between 1977 and 1981 as the Speaker, and which I attempted to do as the Deputy Speaker from 1975 to 1977, noticed it had absolutely nothing to do with the fact that there were more members in the combined opposition than there were over there. In terms of this place as an instrument of parliamentary democracy, the preponderance of members being on that side of the House should have absolutely nothing to do with the way we conduct our affairs in terms of the standing orders and the way, sir, in which you, of necessity, must interpret them.

4:40 p.m.

We must be ever mindful of our responsibility to the electorate, to the taxpayer, and perhaps

even more important, our responsibility to respect the institution of parliament, which is the very basis of a parliamentary democracy. I think that is the question at issue in the motion of my colleague the member for York South. It is the responsibility of the opposition to question, to probe and to seek the truth. Surely that is the basis and the overriding reason for the kind of exchange we engage in. Certainly one would hope it is to seek the truth.

From my own perspective after having been in the chair—the hot seat, the loneliest seat in this entire chamber—I would say to all honourable members not to take their frustrations out on the chair. There are really no good guys and bad guys in this House. We are all sent here by the eight and a half million people who live in this province. They sent us here to make parliamentary democracy work. If we do anything that inhibits or takes away from that process we do the people in this province, this assembly and parliamentary democracy a grave disservice. If it works badly it reflects badly upon all of us.

You, Mr. Speaker, must be seen as the one person who sets the mood and the tone of this assembly. You must give yourself literally to the institution of parliament—not to the government, not to the opposition, but to that sometimes indefinable process that makes our system different, makes it something to cherish, to appreciate and to strive to improve upon. This will only be done if you are prepared to give yourself totally to the process. It can only be done if you seek sound advice and know the rules literally better than any of us. It must be done if this assembly is to carry out its very onerous responsibility in this time of social and economic soul-searching.

I do not believe there is anybody in this House who empathizes and sympathizes more with you than I do. Believe me, I have been there. I will not be voting for the motion, but I felt I had a responsibility to stand before you and all members of this assembly to remind them, you and myself, once again, of our collective responsibility to making parliamentary democracy work. It is an imperfect system, one we must continue to build upon and to improve. It is far better than any system we may choose to say is second best. With your leadership and guidance, Mr. Speaker, we have a responsibility to make it work. There is no alternative. If we refuse to accept that fact, we collectively do so at our own peril.

Hon. Mr. Davis: Mr. Speaker, I do not intend to speak at great length on this motion. I do want to say a few words, some of a personal nature, and endeavour to put the debate into the perspective of the government's view, and from my own as Premier.

I regret I did not hear all the contributions of all members. I heard bits and pieces. I heard a great deal of the member for Lake Nipigon. He gave a very reasonable and balanced perspective basing it on some personal knowledge.

I did not hear all the remarks of the member for York South. I wonder whether the member was not confusing two matters—one I intend to address today—that is, his motion of no confidence in the Speaker, and his point of view as to how the Speaker of this House should be selected.

I do not quarrel with the point of view of the member for York South as to the traditions or the process here. Our Legislature is not necessarily unique. Our traditions are very similar to many other legislatures in this country. I know he has written on the subject at great length. I have read articles and I understand his point of view. It is a proper area for discussion.

I confess I am not sure he has convinced me as to his point of view; but that is an issue for another time, it is not part of what he has put on the Order Paper. That is a separate and distinct issue wherein he suggests the members of this House do not have confidence in the Speaker's capacity to act as the Speaker. A great deal of the contribution by the member for York South related to a separate issue. When I say "separate" it refers to the selection of the Speaker. I intend to deal with the motion itself.

I make no apologies for it. I was the one who, contemplating the decision as to who would be selected by the members of this House, asked you to accept a very onerous responsibility. I did that on the basis of knowing you for a number of years, knowing you are a man of great integrity, that you, like the rest of us, were a partisan politician until you assumed this office and that you have been involved in the political process, as we all have been.

You acted as a gentleman, a person with sensitivity and ability to relate to not only your colleagues in government but those on the opposition benches. If I were asked to turn back the clock, and once again to search my own conscience as to whom from the government I would recommend to this most important responsibility, I would be on the phone to you asking you once again to assume this responsibility.

4:50 p.m.

This is a political environment. We all know that. I remember the former distinguished member from Sudbury, Mr. Sopha, who was one of the very eloquent speakers in this House. A lot of members are too young to remember Mr. Sopha but I remember him, not only as a member of this House—

Mr. T. P. Reid: Some of us are young and still remember.

Hon. Mr. Davis: Some of the members are younger. I was going to say something about the member's youth, but I will not.

I can recall Mr. Sopha reminded all of us that politics was not a tea party. It was not always pleasant. That is not why we have been elected, and we all understand the partisan nature of what goes on in this assembly. I have been here a good part of the time and I know some of the judgements you have been called upon to make, Mr. Speaker. On occasion the House has really asked you to make what is a political determination, and not a determination that relates to the rules of the House or how the House is conducted.

I shall not refer to the reality of March 19. That is not the issue that is before us. I think the opposition has every right to question the government. I like to think the members opposite do it in a constructive fashion. Some days I might feel it is not totally constructive, but that is part of it. But then it is part of government's responsibility as well to determine what answers are given. There is nothing in the rules that says how we must answer a question. In fact there is nothing in the rules, as I recall them, saying we necessarily have to answer.

I think you have been asked on occasion, Mr. Speaker, to make certain judgements that are part of a political process, and that the government can be held accountable for in terms of the views of the public as to our actions. We have to assume that responsibility. If the opposition disagrees with us we know where the ultimate recourse is at some point in time. It is not a position you should be placed in as Speaker of this assembly.

But to go back, I was very impressed by the views of the member for Lake Nipigon because if he wanted to go through his own experience, he would recall his first two or three months in office were not the easiest. He may recall some observations made by members of his own party as to whether he was being totally objective or whether he was being nonpartisan or whether he was exercising good judgement. I do not need to recite them chapter and verse but I

think he will recall them. He will even recall the odd constructive article written by members of the media in his early days as Speaker.

The members opposite will not agree with this at all but as Premier—which has its own responsibilities—I found the first few months in office more difficult than I find now. The members opposite will not agree, but one does learn from experience. One is not put into a job and expected to achieve perfection the first day. It took me several years, and I confess I have not achieved perfection yet; that is brought to my attention regularly at 61 Main Street South, if nowhere else.

Mr. Speaker, the members of this House, by and large, understand that your job is tough; it requires sensitivity, and it requires judgement. But at the same time they are human enough to understand that you do not become an instant expert on the rules or decisions in a matter of 48 hours. I do not know anyone in this House who could have been asked to be Speaker, who within that short period of time would have been totally right in every decision made. I do not think even had I called the member for York South, with all his talent and experience, and asked him to be Speaker of this House—which he would have refused to do—he could necessarily have moved into that position and not made a mistake, or perhaps not have incurred some criticism by members of this assembly.

I remind the member for York South he was chairman of a very important committee. He has made some very great contributions in this assembly. He was chairman of the select committee on Ontario Hydro affairs. The one reason that committee had some measure of success was that in many cases, on a totally partisan committee, he had some pretty decent people from all political parties who helped him make that committee function effectively. They could have made his life as chairman as difficult as he perhaps on occasion has suggested we are making life difficult for the Speaker of this assembly. We are the ones, the members of this House, who have made the problems you have experienced, Mr. Speaker. We are the ones who have created them. There is no question about that.

Mr. Martel: None worse than the present speaker.

Hon. Mr. Davis: All right. I am not going to say to the House leader of the third party that I have not on occasion prolonged some of my answers; I do not quarrel with that for a moment. But if he analysed the questions

carefully, if he sometimes looked at the number of questions included in the question, he knows it takes me five minutes just to clear my throat. I do not have his ability to be articulate as instantly.

Mr. Martel: You were waiting for an interjection so you could respond.

Hon. Mr. Davis: I understand all of that.

Mr. Martel: You were waiting for the interjection.

Mr. Speaker: Order.

Hon. Mr. Davis: Mr. Speaker, we all know how this House can be. For me, quite honestly, most days it is great fun; it is a stimulating experience. I think members generally understand the partisan nature. But when I heard that this motion was here, I must confess to you a personal disappointment, because I think we should be debating some of these issues on a political basis. No one is quarrelling with the opposition trying to make the life of government difficult. I know that is the responsibility of the members opposite. But it is not your problem to make those "political determinations."

I do not want to prolong this discussion. I have one thing I want to say very simply. As one who has been here as long as anyone and as one who has served under a number of Speakers, I have to say, sir, in terms of your sensitivity, decency, integrity and judgement, I have every confidence in you as Speaker of this assembly. I say that on a very personal basis.

I am going to make a personal plea, and this is not summing up the throne speech, which we do traditionally, or the budget speech, asking members opposite to reconsider—I know every time I make that plea exactly what the reply is going to be—but I ask the member for York South to canvass his own conscience to try to distinguish between his concern as to the procedures whereby the Speaker of this assembly is elected and his motion of no confidence in the present incumbent in that position.

I ask him to review in the next few minutes what his own colleague the member for Lake Nipigon has said and in a sense of decency, and I say this on a very personal basis, to reassess what he has suggested to the House and say to all of us: "Let us make it unanimous. Let us say to the Speaker of this assembly, 'Sir, we respect you; we understand the difficulties of running a House with 124 reasonably intelligent, logical, political people and how tough that is,'" and to join other members in this House in saying: "Mr.

Speaker, we have been part of the problem that has been created; we have confidence in you as a person and as a Speaker of this House."

Let us, I say to the member for York South, give the Speaker of the Legislative Assembly of Ontario a unanimous vote of confidence as he so rightly deserves.

Mr. Speaker: Are there any other members who wish to participate?

Mr. MacDonald: Mr. Speaker, a final comment. I understand in a debate like this one can make a final comment.

This debate has been something of a catharsis. I acknowledge Philip Laundy, who said no motion of censure on a person whom one respects personally is a tasteful thing. It is a distasteful thing. Perhaps it was a necessary catharsis. Perhaps the kind of criticism that has been poured out regularly into the media will cease. If it does, we will have achieved a purpose in terms of getting things back on the rail in this House.

5 p.m.

However, I say to the Premier, that I would search my conscience before I would do anything of this nature, so I did not need to be told by him that I should search my conscience.

Too much of what I put on the record in terms of how the Speaker has operated and why he has operated as he has—in terms of his appointment, in terms of his advice which was pointed out to me many times by the member for Lake Nipigon and elsewhere—too much of it is valid to wash out.

Therefore, I have no alternative but to leave the motion stand. But I join with all members in the House in hoping that it has served a purpose in getting a greater consensus, and for you, sir, a greater measure of support so that henceforth we will not have the kinds of scenes we have had in the past.

5:35 p.m.

The House divided on Mr. MacDonald's motion of resolution 31, which was negatived on the following vote:

Ayes

Breaugh, Bryden, Cassidy, Cooke, Di Santo, Grande, Johnston, R. F., Laughren, MacDonald, Mackenzie, Martel, McClellan, Philip, Renwick, Samis, Swart, Wildman.

Nays

Andrewes, Ashe, Baetz, Barlow, Bennett, Birch, Boudria, Bradley, Brandt, Breithaupt, Copps, Cousens, Cureatz, Davis, Dean, Drea,

Eakins, Eaton, Edighoffer, Elgie, Elston, Epp, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Haggerty, Harris, Havrot, Henderson, Hennessy, Hodgson;

Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kerrio, Kolyn, Lane, Leluk, MacQuarrie, Mancini, McCaffrey, McCague, McEwen, McGuigan, McLean, McMurtry, McNeil, Miller, G. I., Mitchell, Nixon, Norton, Piché, Pollock, Pope, Ramsay, Reid, T. P., Robinson, Runciman, Ruprecht, Ruston;

Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Sweeney, Taylor, G. W., Timbrell, Treleaven, Van Horne, Villeneuve, Walker, Watson, Welch, Wells, Williams, Worton, Wrye, Yakabuski.

Ayes 17, nays 86.

5:40 p.m.

THIRD READINGS

The following bills were given third reading on motion:

Bill 55, An Act to amend the Motorized Snow Vehicles Act;

Bill 94, An Act to amend the Ontario Guaranteed Annual Income Act;

Bill 137, An Act to amend the Ontario Pensioners Property Tax Assistance Act;

Bill 138, An Act to amend the Income Tax Act;

Bill 150, An Act to amend the Highway Traffic Act.

TOWN OF LINCOLN ACT

Mr. Andrewes moved second reading of Bill Pr11, An Act respecting the Town of Lincoln.

Motion agreed to.

Third reading also agreed to on motion.

KLEVEN BROS. LIMITED ACT

Mr. Piché moved second reading of Bill Pr13, An Act respecting Kleven Bros. Limited.

Motion agreed to.

Third reading also agreed to on motion.

CITY OF KITCHENER ACT

Mr. Breithaupt moved second reading of Bill Pr16, An Act respecting the City of Kitchener.

Motion agreed to.

Third reading also agreed to on motion.

SOCIETY OF MANAGEMENT ACCOUNTANTS OF ONTARIO ACT

Mr. Williams moved second reading of Bill Pr17, An Act respecting The Society of Management Accountants of Ontario.

Motion agreed to.

Third reading also agreed to on motion.

CANDORE EXPLORATIONS LIMITED ACT

Ms. Fish moved second reading of Bill Pr27, An Act to revive Candore Explorations Limited.

Motion agreed to.

Third reading also agreed to on motion.

LATVIAN CANADIAN CULTURAL CENTRE ACT

Mr. Williams moved second reading of Bill Pr30, An Act respecting the Latvian Canadian Cultural Centre.

Motion agreed to.

Third reading also agreed to on motion.

The House recessed at 5:46 p.m.

CONTENTS

Monday, November 16, 1981

Statements by the ministry

Birch, Hon. M., Provincial Secretary for Social Development:

Advisory Council on the Status of Women 3518

Grossman, Hon. L. S., Minister of Industry and Tourism:

Massey-Ferguson layoffs 3524

Norton, Hon. K. C., Minister of the Environment:

Niagara River pollution 3517

Oral questions

Baetz, Hon. R. C., Minister of Culture and Recreation:

McMichael Canadian Collection, Mr. Smith, Mr. Renwick. 3520

Davis, Hon. W. G., Premier:

Canadian Admiral, Mr. Cassidy, Mr. Smith, Mr. Kennedy. 3521

Elgie, Hon. R. G., Minister of Labour:

Canadian Admiral, Mr. Renwick. 3526

Stelco dispute, Ms. Copps, Mr. Mackenzie. 3526

Automotive Hardware dispute, Mr. Kolyn. 3528

Grossman, Hon. L. S., Minister of Industry and Tourism:

Massey-Ferguson layoffs, Mr. Gillies, Mr. Nixon, Mr. Cassidy. 3524

Henderson, Hon. L. C., Minister of Agriculture and Food:

Assistance to farmers, Mr. McKessock. 3530

Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics:

Massey-Ferguson layoffs, Mr. Smith, Mr. Cassidy, Mr. Nixon. 3519

Assistance to farmers, Mr. Cassidy, Mr. McKessock. 3522

Norton, Hon. K. C., Minister of the Environment:

Walker Brothers Quarries, Mr. Bradley, Mr. Swart. 3528

Snow, Hon. J. W., Minister of Transportation and Communications:

Urban Transportation Development Corporation, Mr. Foulds, Mr. Hennessy. 3527

Railway service, Mr. Samis. 3529

Stephenson, Hon. B. M., Minister of Education and Minister of Colleges and Universities:

Ministry advertisement, Mr. Sweeney, Mr. Smith. 3523

Petition

Plant layoffs, Mr. Cooke, tabled. 3530

First reading

Tordom Corporation Continuation Authorization Act, Bill Pr40, Mrs. Scrivener, agreed to . . 3531

Private member's motion

Speaker's role, resolution 31, Mr. MacDonald, negatived. 3531

Second readings

Town of Lincoln Act , Bill Pr11, Mr. Andrewes, agreed to.	3546
Kleven Bros. Limited Act , Bill Pr13, Mr. Piché, agreed to.	3546
City of Kitchener Act , Bill Pr16, Mr. Breithaupt, agreed to.	3546
Society of Management Accountants of Ontario Act , Bill Pr17, Mr. Williams, agreed to ...	3546
Candore Explorations Limited Act , Bill Pr27, Ms. Fish, agreed to.	3546
Latvian Canadian Cultural Centre Act , Bill Pr30, Mr. Williams, agreed to.	3546

Third readings

Motorized Snow Vehicles Amendment Act , Bill 55, Mr. Snow, agreed to.	3546
Ontario Guaranteed Annual Income Amendment Act , Bill 94, Mr. Ashe, agreed to.	3546
Ontario Pensioners Property Tax Assistance Amendment Act , Bill 137, Mr. Ashe, agreed to.	3546
Income Tax Amendment Act , Bill 138, Mr. Ashe, agreed to.	3546
Highway Traffic Amendment Act , Bill 150, Mr. Snow, agreed to.	3546
Town of Lincoln Act , Bill Pr11, Mr. Andrewes, agreed to.	3546
Kleven Bros. Limited Act , Bill Pr13, Mr. Piché, agreed to.	3546
City of Kitchener Act , Bill Pr16, Mr. Breithaupt, agreed to.	3546
Society of Management Accountants of Ontario Act , Bill Pr17, Mr. Williams, agreed to.	3546
Candore Explorations Limited Act , Bill Pr27, Ms. Fish, agreed to.	3546
Latvian Canadian Cultural Centre Act , Bill Pr30, Mr. Williams, agreed to.	3546

Other business

Constitutional agreement , Mr. Renwick, Mr. Smith.	3517
Answers to questions on Notice Paper , Mr. Wells, tabled.	3531
Recess	3546

SPEAKERS IN THIS ISSUE

Baetz, Hon. R. C.; Minister of Culture and Recreation (Ottawa West PC)
Bradley, J. J. (St. Catharines L)
Cassidy, M. (Ottawa Centre NDP)
Cooke, D. S. (Windsor-Riverside NDP)
Copps, S. M. (Hamilton Centre L)
Davis, Hon. W. G.; Premier (Brampton PC)
Elgie, Hon. R. G.; Minister of Labour (York East PC)
Foulds, J. F. (Port Arthur NDP)
Gillies, P. A. (Brantford PC)
Grossman, Hon. L. S.; Minister of Industry and Tourism (St. Andrew-St. Patrick PC)
Henderson, Hon. L. C.; Minister of Agriculture and Food (Lambton PC)
Hennessy, M. (Fort William PC)
Kennedy, R. D. (Mississauga South PC)
Kerrio, V. G. (Niagara Falls L)
Kolyn, A. (Lakeshore PC)
MacDonald, D. C. (York South NDP)
Mackenzie, R. W. (Hamilton East NDP)
Martel, E. W. (Sudbury East NDP)
McKessock, R. (Grey L)
Miller, Hon. F. S.; Treasurer of Ontario and Minister of Economics (Muskoka PC)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Norton, Hon. K. C.; Minister of the Environment (Kingston and the Islands PC)
Reid, T. P. (Rainy River L-Lab.)
Renwick, J. A. (Riverdale NDP)
Rotenberg, D. (Wilson Heights PC)
Samis, R. R. (Cornwall NDP)
Smith, S. L. (Hamilton West L)
Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
Stephenson, Hon. B. M.; Minister of Education and Minister of Colleges and Universities
(York Mills PC)
Sterling, Hon. N. W.; Minister without Portfolio (Carleton-Grenville PC)
Stokes, J. E. (Lake Nipigon NDP)
Swart, M. L. (Welland-Thorold NDP)
Sweeney, J. (Kitchener-Wilmot L)
Taylor, G. W. (Simcoe Centre PC)
Turner, Hon. J. M.; Speaker (Peterborough PC)
Villeneuve, O. F. (Stormont, Dundas and Glengarry PC)
Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)

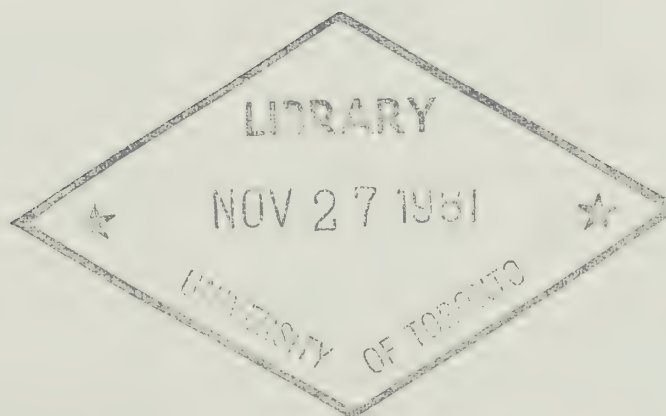


Ontario.

No. 99

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Monday, November 16, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

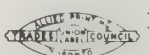
CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

Monday, November 16, 1981

The House resumed at 8:01 p.m.

House in committee of supply.

ESTIMATES, MINISTRY OF NORTHERN AFFAIRS (continued)

Hon. Mr. Bernier: Mr. Chairman, I want to respond to the member for Rainy River (Mr. T. P. Reid) and the member for Lake Nipigon (Mr. Stokes) in the shortest way possible. Before I do that, I want to put on the record information about the difficulty I had arriving here today. Many people in southern Ontario do not realize the difficulty we northern members have, but—

Mr. Stokes: Were you suffering from a fog again?

Hon. Mr. Bernier: Yes, I was. I was really fogged in this morning. In fact, my wife and I woke about 5:30 a.m., and if you see a five o'clock shadow on my face that is the reason.

Mr. T. P. Reid: Five a.m.?

Hon. Mr. Bernier: Yes, 5 a.m. I landed here about an hour ago, after driving to Dryden, which is a good hour and a half drive—this morning it was a little longer than that, I might add, because of the fog—to sit in the Dryden airport with about 35 other people and have the Nordair plane come down. You could hear it coming down, you could hear it coming through the fog; then you could hear the motors rev up and take off in the distance and you knew very well that plane was not going to land and you would have to go to Thunder Bay or to Winnipeg.

So, resourceful as I am, I immediately called our very efficient Northern Affairs officer, Brian England, and I said to him, "You have a busy day." He said, "Yes, I do, sir. Where are we going this morning?" I said, "We are off to Winnipeg." He said, "I did not really expect to be in Winnipeg this morning, but that is fine and dandy." So we drove to Winnipeg and we discussed—

Mr. Nixon: Did you vote?

Hon. Mr. Bernier: No. I checked on the election though, and I will give you a little report on that.

I did do some business with the Ministry of Northern Affairs officer from Dryden. I got to

Kenora. We had phoned in advance to say I would be coming and I am pleased to report I met with the fishermen from the Lake of the Woods to discuss a very important issue called quotas on the Lake of the Woods with which the member for Rainy River is very familiar. After a good 45-minute meeting with that group, the assistant deputy minister, Mr. Charlton, drove me into Winnipeg where I caught the Nordair flight out of Winnipeg and arrived here about 6:30 this evening.

During the two and a half hours we were driving to Winnipeg we discussed a number of very important issues. So, all in all, it took me about 13 hours from the time I left home till the time I got to Toronto and took my place here in the Legislature.

Mr. T. P. Reid: You should have left on Sunday.

Hon. Mr. Bernier: Yes, I could have come down on Sunday night, I suppose.

Mr. Stokes: That is what I would do.

Hon. Mr. Bernier: I beg your pardon. You came down Sunday?

Mr. T. P. Reid: If we had to go to Winnipeg, the government would not pay for our tickets.

The Deputy Chairman: We should proceed with the estimates, Mr. Minister. I am really intrigued by your day. It was better than mine.

Mr. Martel: He does not appreciate it. Nobody in Toronto appreciates the difficulties.

Mr. T. P. Reid: You just get in your car and come on down here.

Hon. Mr. Bernier: That is right. Until you do—

The Deputy Chairman: Never mind that now. The minister—

Hon. Mr. Bernier: We northerners do this on a regular basis. I go home every weekend and sometimes I do not have any difficulty. But in many instances I find myself driving to Thunder Bay or Winnipeg to—

Mr. Nixon: Just think if you were still running that hardware store in Hudson, earning a nice living.

Hon. Mr. Bernier: Sometimes I wish I still was.

Mr. Martel: Not very often though.

Mr. Piché: Mr. Chairman, the ministry should take its own responsibility. Three years ago there was an aircraft that was available and you would have been here—

The Deputy Chairman: Order. That is a terrible interjection. Starting right now, Mr. Minister, you are making your reply and we are glad you are here.

Hon. Mr. Bernier: I do not want to reply to interjections, but I appreciate the support of the member for Cochrane North. My real purpose in putting this on the record was to get the support of the northern members for that new jet.

Mr. Martel: It depends who is going to use it. Is that for all members in the north to go with you?

Hon. Mr. Bernier: I think there will be occasions when I will look forward to having the members join me.

Mr. T. P. Reid: Like when Drapeau has his baby.

Hon. Mr. Bernier: I want to respond to a couple of questions that were asked. One asked by the member for Rainy River was in connection with the information services and the strategic planning secretariat and, of course, the comments with regard to the Royal Commission on the Northern Environment. To answer those, perhaps not in the correct order they were asked but at least to give the information to the members, I would like to inform the members the information services branch is the arm of this ministry which has primary responsibility for providing an effective public information program for the ministry.

It has four basic functions: to provide expert advice to the minister and the executive committee on communication strategy alternatives to best meet the needs of the ministry's audiences; to provide a central resource for Northern Affairs offices in the north; to assist in obtaining information from federal and provincial agencies, to provide ministry-wide library research, graphic and cartographic services as well as inter-office communication services; to provide regular public relations functions including preparation of speeches, news releases, responses to written and telephone inquiries from the general public, organizing ministry participation shows, exhibits and other public functions, advertising pamphlets, ministry newspaper and film production.

Our program is carried out in English, French

and in the native language where required. We have public relations officers in Sault Ste. Marie, Thunder Bay and Kenora and they co-operate with the information branch in the Toronto regional office. The public relations officers are budgeted under the northern community services and development program and report to the community relations branches at Sault Ste. Marie and Kenora under vote 704, item 1.

Mr. T. P. Reid: Before the minister goes on, how many people are involved in that, both in the head office and in the three offices? Does any of that money under information services relate to the actual cost of advertising—your pamphlets, your radio spots, all your blurbs in the papers and trade magazines and so on?

The Deputy Chairman: Before the minister responds to that—I want him to respond but once he has made the response we will try to start going through the votes, then possibly some of these questions could—

Mr. Martel: Don't worry about it.

The Deputy Chairman: You do not want to worry about it. To some extent we should have a few words but—

Mr. T. P. Reid: Mr. Chairman, we decided we would take, say, vote 701 and discuss anything under that vote, which is what we are on, and then we would move to votes 702, 703 and then 704.

The Deputy Chairman: That is a fact, but we are not on any part of 701 yet. I came in late. What are you on, vote 701, item 1?

Mr. T. P. Reid: Just vote 701.

8:10 p.m.

Hon. Mr. Bernier: Mr. Chairman, it has been the custom in the examination of my ministry's estimates to be very broad and use the paint brush approach; we are not specific.

The Deputy Chairman: In that case I defer to the member for Rainy River, with pleasure, on this important question.

Hon. Mr. Bernier: Thank you, Mr. Chairman. In response to the member's question we have 11 staff members in the information branch, and the figure you are voting on tonight includes all the costs of information services in the northern part of this province, all the items to which you refer. So it is a whole package.

Mr. T. P. Reid: I wonder if—

The Deputy Chairman: It will make things go

far better for me if I understand how we are proceeding. We will take vote 701 and items 1, 2 and 3 all at once, then, by the sounds of it.

Mr. T. P. Reid: Right.

The Deputy Chairman: Fine. Thank you.

On vote 701, ministry administration program:

Mr. T. P. Reid: Does vote item 3 have anything to do with Ontario North Now? Do you have any money in your budget for that or does that come out of somebody else's budget?

Hon. Mr. Bernier: Yes, it does, Mr. Chairman.

Mr. T. P. Reid: Could you tell me how much of the \$596,000 relates to Ontario North Now?

And while I am on my feet, I unfortunately had some people talking to me about Quetico Park when the minister was replying to my opening remarks. Did he respond to me about hiring people, students particularly, from northern Ontario?

Mr. Martel: All from northern Ontario.

Mr. T. P. Reid: All? Did you say that? Before you get up, if you did maybe you could just take 30 seconds to repeat it, because the instant Hansard is not out yet.

Second, as the minister knows, I probably have the most talented, creative people in northwestern Ontario in my riding— partly because, of course, they vote for me. But they do have some ideas about things Ontario North Now should be doing or some projects that are not as sophisticated as the moose and deer antlers we have already heard about. How do we get input into what should or should not be done in Ontario North Now? To whom do these people respond or write if they have any suggestions for something creative that would assist in promoting northern Ontario?

Hon. Mr. Bernier: Mr. Chairman, in answer to the first question, about \$40,000 out of vote 701 went into Ontario North Now, and the balance is in other areas of promotion work, salaries and so on.

Yes, I did answer the question about the hiring practices of Ontario Place. I think it stemmed from a motion passed by the Fort Frances council, which caused a number of inquiries from a number of municipalities across northern Ontario. I indicated—and I will be as short as I can—that we have been in touch with the Ontario Place people who have now undertaken full operational responsibility for Ontario North Now up to the point of the displays in the

pavilion. It will be a responsibility of the Association of District Municipalities and the Ministry of Northern Affairs to make sure the northern Ontario flavour, which you all want projected, will be in place.

As a ministry, we will be working very closely with Ontario Place, and we have indicated to them we will assist them with travel costs in going to the two northern universities to hire hosts and hostesses next year for Ontario North Now and Ontario Place. You have to realize the hosts and hostesses at Ontario Place rotate regularly, so although we would like to have only northern Ontario hosts and hostesses at the pavilion I am afraid this will not be possible. But we will have a good representation from northern Ontario.

As I pointed out, this year two northern affairs officers and the information branch from the ministry were there on a regular basis so the major questions were answered. I think we can lay those concerns to rest.

The member also asked how we get input into Ontario North Now. Until now we have been working through the Association of District Municipalities because we wanted the municipalities involved. It is their pavilion, it is selling their communities and they will be there. As you know, they have the opportunity to use the Ontario pavilion—that is the larger pavilion—to display and promote their particular community. That will still be there, and we will encourage that.

In the coming year one of our very strong emphases will be on assisting in a very professional way those municipalities that want to come down. The smaller municipalities do not have the expertise the Sudburys do. The Sudburys put on a terrific display at Ontario North Now. It was well done because they have the resources. The smaller municipalities, like the Manitouwidges and the Geraldtons, do not. This year we will have funds to assist them to sell their communities and make them more saleable.

The input for Ontario North Now should be through the information director of our branch. Sheila Willis is the director of that branch. Anyone who is interested in some input may direct the inquiry either to myself or to her. We will make sure it is followed up on.

Mr. Martel: Mr. Chairman, I want to discuss under head office a couple of things that will occur. I recently talked to the mayor of a municipality, Valley East, which we discussed last Friday. I want to know if this is factual. My

friend the mayor tells me the minister was not responsible for the funding that has been promised to Valley East, and that he had to bypass the minister because he was too intransigent and go directly to the Premier (Mr. Davis), where he laid all the cards on the table.

I thought I would ask the minister if he could confirm this little tale being spread around that the minister is not interested in northeastern Ontario. That was an example of it, the minister had to be bypassed in order to get funding.

Hon. Mr. Bernier: To answer that question quickly, the mayor from that community had some political aspirations which did not reach a certain conclusion or finality—acceptance might be the proper word.

Mr. Stokes: Is the minister saying he did not get the Tory nomination?

Hon. Mr. Bernier: No, I understand he did not. I do not know if anybody else on the outside had anything to do with it or not, but he did not. I say as strongly as I can, I never had any discussions with the Premier, and the Premier did not have any discussions or communicate, to my knowledge—the deputy is here; he had nothing from the Premier's office, I had nothing from the Premier's office. I can assure you categorically that decision goes along with the one third-one third assistance to the Valley East industrial park which was made within the staff of the Ministry of Northern Affairs.

Mr. Martel: I appreciate that. I wanted to put that on the record. The minister and I have discussed this on a number of occasions. The minister is right. The young fellow had a few aspirations and he did not want to take into consideration the fact we had been exchanging correspondence for, I guess, four or five years in total on that project. But he was the one ordained to get it from the ministry, and the local member had no input, just himself. Let me forget about the tiger for a moment. I want to deal with a couple of other things.

I do not know how much input the minister has with respect to his colleague, the Minister of Industry and Tourism (Mr. Grossman). Like the rest of the members in northwestern Ontario we too have problems with respect to lumber companies. I have one in the small town of Alban, which the minister visited. It will close its doors totally in December and I have written the minister's colleague about it.

Rogerson Lumber is the sole employer in the municipality of Alban. It has 10 million board feet—about seven million cut now and the rest

in the woods which will be out shortly. I suspect the number of people who will be affected will range between 150 and well over 200. I am not sure how one provides working capital to assist these people who are in dire straits because of high interest rates and with a decrease in construction. I am sure the minister has the same problem in the part of the world he is from. If they cannot sell that lumber they need working capital to carry it. If we see an industry close in a small community—it provides all of the work in Alban, and certainly draws a large work force from Noelville.

8:20 p.m.

I am not sure how much influence one has, or how far the government can go in assisting, but this is a municipality where 150 people will be on unemployment insurance come Christmas. That bothers me because I was involved—I think Mr. Herridge was then the deputy minister in the previous ministry when Rogerson finally built its plant in Alban.

It used to operate out of Port Loring, and we had discussions then because they kept postponing the day on which they were going to start their operation in Alban. They kept wanting to truck down to Port Loring, drawing on their wood reserves in the Alban area, and in and around Killarney. They were drawing on their wood reserves there but not doing any of the processing, although they held the rights.

I think Mr. Herridge had something to do—at my request, through the minister—with making sure if they wanted that licence they would have to complete the obligation they made at the time. Be that as it may it is very difficult to watch an operation shut down, which will virtually see every employee without a job. I do not know how far one can go.

The minister has never had the power I tried to give him when I moved amendments on this bill—that was a lot of planning power and some power to undertake things. If the minister will recall, for the better part of a year, I pushed this government over the closure of National Steel in my home town. That operation is for sale, for scrap. I have been to the Minister of Natural Resources (Mr. Pope) already and if that closes and is sold for scrap, that ore body will never be mined out. The capacity is only 600,000 or 700,000 tons per year.

I have asked your colleague to see if the government could not lean on Dofasco or Algoma or Stelco. We have been very generous to some of those companies over the years—given the type of infrastructure the government

has put in at Nanticoke—and to me there has to be a quid pro quo in this ball game. I think they owe it to us.

I talked to Inco to see if they would buy it, because they have some difficulty rolling their iron properly for automobiles and so on. I suggested they might combine the two because this was a very profitable operation. Two years prior to its closing they made \$6 million on just 600,000 tons of production. That is \$10 a ton, or better. It is very profitable.

The Deputy Chairman: Not wanting to continue—

Mr. Martel: I am right on planning.

The Deputy Chairman: You are on 702, not 701. We have to be careful we do not become too broad. You have a good point, and you are on it; would you just finish so the minister can make a note and respond to it when we get to 702?

Mr. Martel: I would urge the ministry not to allow that place to go for sale as scrap. You are now buying Suncor; you might for \$3 million or \$4 million buy a mine.

It would be devastating, because we know no mining company now goes in unless there is going to be production of something like three million tons a year. Certainly there is no capacity for that amount of tonnage out of that mine or it would be mined out in four or five years. If that operation comes down and is only partially mined out there will be an ore body to which we will never go back and finish extracting. To the north and to Ontario it would be devastating to see that occur.

I have approached Inco, I have talked to others and it seems to me there is an onus on the government to say to Algoma—they were going to buy it about five or six years ago because of the life expectancy of Wawa.

Mr. Stokes: Algoma has options on everything in the north. That is not to say they were going to buy it.

Mr. Martel: No, they were actually negotiating to buy it at one time.

Mr. Stokes: I have at least four of them in my riding.

Mr. Martel: But on this one the plant is already there. There has to be \$50 million or \$60 million worth of investment. If it is torn down that ore body will never be exploited to finality. Someone could pick that up dirt cheap. Inco suggested \$1 million each or \$1.5 million each

with Dofasco. They buy together in other areas. In the United States they have bought heavily jointly.

Mr. Stokes: Tilden Mines in the USA.

Mr. Martel: There is Tilden Lake. There are a number of them. But if they let that happen, it is a black mark because we will never go back and finish mining it out. I do not know what the minister can do with respect to this but it is certainly the type of economic planning we suggested for him when we brought this ministry into reality. I would hope the minister has some response on both these issues.

Hon. Mr. Bernier: Mr. Chairman, perhaps I may respond to the honourable member's concern. I know he has been concerned constantly in this Legislature for the past dozen or so years about economic development in northern Ontario. In some instances I share his point of view—to obtain more attention and more economic development with regard to our resources.

I regret hearing from the member about Rogerson Lumber Company. In discussing it with my deputy he tells me there is not a wood allocation problem, they have sufficient resources; but it is the market at this time, particularly in the United States.

The member tells me a number of people will be on unemployment insurance within a month or so. I have the same situation in my home town of Hudson. McKenzie Forest Products Inc. has laid off a portion of one shift and there are very strong rumours they will shut down in a month for two or three months. That is not definite. They too are suffering from the high interest rates, not only in this country but in the United States, as they curtail housing starts.

I do not know what we as a ministry can do to correct that. We will work very closely with them and if there is something we can help with we certainly will. But I have to share the member's concern. I know how he feels as a member who is very sensitive to the grass-roots people. I live with those people. They knock on my door every weekend saying: "What can you do?" I do not have an answer to those very serious problems.

I have excellent co-operation from the Ministry of Industry and Tourism and the Honourable Larry Grossman. In many instances when applications from those firms are submitted through the Northern Ontario Development

Corporation, I will get a call or they will write me and say: "You know northern Ontario better than anybody else; will you support or"—

Mr. Stokes: They do not listen to you though.

Hon. Mr. Bernier: Oh yes, in many instances they do. On one of them I have to admit they did not and I am prepared to go back on that one and we will talk about that again.

But I do go to the minister and explain it from our point of view. In some instances he understands.

Mr. Martel: Have you got a spare \$2 million to lend us?

Hon. Mr. Bernier: This is a different situation.

Mr. T. P. Reid: Only if it is an oil company in Alberta.

Hon. Mr. Bernier: It is just a general statement. But getting back to the iron ore situation, I share the member's concern and his frustrations. I learned today as I left my riding that Griffith Mine Pickands Mather and Company in the Ear Falls area is going to shut down for a month because of the lack of markets. This will throw something like 400 or 500 people out of work at the worst time of the year.

Mr. Stokes: Tory times are hard times.

Hon. Mr. Bernier: No, I would not say that. I think we have had 42 years of excellent administration and good times in Ontario. I am sure we will have another 42 years. I am very confident about that.

But I know how the member feels about Capreol and National Steel. We have discussed this on a couple of occasions. I think his suggestion that I take some responsibility and talk to National Steel is a good one. I just discussed it with my deputy and we are prepared to sit down with National Steel and find out if there is some way we can initiate discussions with other companies. I do not know if it will be futile or not, but—

8:30 p.m.

Mr. Martel: Algoma is the key one.

Hon. Mr. Bernier: —if there's some hope there, then I think we, as the ministry for northern Ontario and as Ministry of Northern Affairs, have that responsibility. I am prepared to accept that responsibility and I undertake to do it.

Mr. Stokes: I want to get on to this vote, rather than vote 702 or 703. Under the ministry administration program in the briefing book at page 16 you say your goals are "to achieve effective advocacy, on behalf of the people of

the north, with all ministries, agencies and boards to ensure that northern needs and conditions are fully taken into account when government decisions are made."

This is the third time since these estimates started I have asked the minister this question specifically and I do not know whether he gets sidetracked or whether he is evading the question. It deals specifically with your responsibility and your stated goal "to achieve effective advocacy on behalf of the people of the north, with all ministries, agencies, boards"—and royal commissions, I hope.

Hon. Mr. Bernier: You added that.

Mr. Stokes: One would hope, you know, that you cover the waterfront now—the Royal Commission on the Northern Environment, for example. I know a little secret meeting was held down here, and I don't know whether you reached some conclusion as to what direction that was going to take. If you didn't I think you are abdicating your responsibility. You say you want to act as the advocate and the co-ordinator when government decisions are made. Decisions are being made with regard to forest management agreements, with regard to strategic land use planning, with regard to the West Patricia land use plan, with regard to access roads, with regard to the northern Ontario rural development agreement. All these are very important decisions affecting the livelihood of communities right throughout northern Ontario.

The aims and objectives of the royal commission included such items as how best to use the resources we have; the northern economy and its expansion within limits; development philosophies; what allowances for the future; forestry, a major industry and concern; mining, wealth and disturbance; tourism, available wilderness experience. These are all things it addressed itself to three years ago, yet the world is passing that royal commission by.

I think, for example, of the decision on building these railway cars—apparently that work is going to go to Kingston rather than to the Hawker Siddeley Can-Car plant in Thunder Bay. Where was the royal commission when decisions like that were being made? Where was the Minister of Northern Affairs when such decisions were made? Where was the parliamentary assistant to the Minister of Northern Affairs when such decisions were made?

I heard him getting up on a supplementary to a question put to the minister by my colleague the member for Port Arthur (Mr. Foulds). I took

it from the question posed by the minister's parliamentary assistant, the member for Fort William (Mr. Hennessy), that he was almost as irate as any other member in northern Ontario because that decision was taken without regard for what I thought was a pretty iron-clad commitment made by the Premier (Mr. Davis) prior to March 19.

What kind of input is the minister making in connection with his stated aims and goals, and what he clearly admitted is his responsibility with regard to his goal of "acting as an advocate and a co-ordinator with all ministries, agencies and boards to ensure that northern needs and conditions are fully taken into account when government decisions are made"?

Those are wonderful words. I would have liked to have used them myself, but unless they are translated into action they have no meaning.

If the minister stands up and says, "I tried to get the Royal Commission on the Northern Environment involved in all of these things that you enumerated," or "I tried to persuade my cabinet colleagues that they should live up to a commitment that was made with regard to the Hawker Siddeley plant in Thunder Bay," I will accept that.

But if he says anything else, I will begin to wonder whether he is really sincere in his stated goal of acting as an advocate and co-ordinator, one who brings things together and makes things happen in northern Ontario.

Hon. Mr. Bernier: Mr. Chairman, may I answer the member for Lake Nipigon? I appreciate his concern for northern Ontario and his desire to co-ordinate and pull together in a positive direction.

I think there is a little misunderstanding with respect to the Royal Commission on the Northern Environment; its terms of reference were made out when the royal commission was established, and they are clear and concise, albeit I think they may be too broad.

We have discussed this on a number of occasions, and I have said publicly that I think the terms of reference of that royal commission are so broad that it is difficult for them to get their arms around it. The previous commissioner, Chief Justice Patrick Hartt, found this out in the short time that he was here. In his public discussions, he found he just could not put his arms around the terms of reference.

I made some considerable efforts at that time to have the terms of reference altered, changed and narrowed so they would have a sharper focus, as I thought northerners would have

wanted. It was felt that the terms of reference were laid out and they had been accepted at that time and should be carried on. With a northerner in charge who is very knowledgeable about and very familiar with the problems of northern Ontario, and very sensitive to the time factor that would be required, it is hoped these can be answered. I understand he is moving in that direction.

I say very sincerely that if we as a government moved in now, or if I acted on the suggestion of the member for Lake Nipigon and tried to influence the royal commissioner or the royal commission to say or do or go in certain directions, the members across northern Ontario would be on my back tomorrow morning for political interference. There is no question and no doubt in my mind that they and the media would be saying: "You established a royal commission with certain terms of reference, and then you come along after two or three years and try to change the direction or alter it or to put words in the commissioner's mouth. You cannot do that." It is a quasi-judicial body. We cannot interfere with it. We set it up—

Mr. Stokes: How long are you going to let it go on? It is four years and \$6.5 million later.

Hon. Mr. Bernier: On that point, I am going to defend the royal commission, because the member and I know how much time it takes to deal with our native people. He and I look at time differently, but for the native people six months or a year is not the end of the world; they like to take time. It takes time for them to get organized, to get the feel of it.

8:40 p.m.

I share the frustration of the royal commissioner, because I know what he is going through in trying to get these people involved. In listening to some of the remarks he has made publicly and hearing what I hear as I travel around northern Ontario, I believe he has the confidence of the native people; there is no question he has their confidence far more than the previous commissioner did.

Interjections.

Hon. Mr. Bernier: Well, I would not want to say that.

Mr. T. P. Reid: Hansard will show—

Hon. Mr. Bernier: He has the ear of the native people. After all, they make up the majority of the people living north of the fiftieth parallel. If he were slipshod, if he just charged over and made certain recommendations without their input, I think it would be meaningless.

I am not putting words in the royal commissioner's mouth, but I can tell honourable members that I share his frustration. And I am as concerned about the expenditures as the members on the other side of the House. I see those dollars piling up and—

Mr. T. P. Reid: You could build yourself another Minaki Lodge. You would have two white elephants.

Hon. Mr. Bernier: I suppose I could build Minaki II.

I share the members' concern. These public discussions are healthy and I really encourage them because I think that, as members from northern Ontario, the members opposite are as entitled as I am to speak out and to say something.

The royal commissioner may hear of our frustrations as local members through the media and through the public discussions we are having. I hope he will. And I am hearing it from my constituents; I really am. They are asking, "Why is it taking this amount of time and money?" I am sure the royal commissioner will respond.

Mr. Stokes: By the time he gets around to reporting, all these decisions will have been taken on Detour Lake and on the forest management agreements.

Hon. Mr. Bernier: Let me just comment briefly on Detour Lake. I know there is going to be some comment on the exemption we provided the Detour Lake project under the Environmental Assessment Act. But I say to honourable members that there are provisions in the act for the Lieutenant Governor in Council to give exemptions for certain projects under your wisdom and guidance. We used that particular section in this instance, because we want the jobs.

The member for Sudbury East was concerned about the jobs with respect to the resource industry and Rogerson Lumber and at Capreol with National Steel. Here we have an opportunity to get Detour Lake going and to get it going immediately with something like 1,000 jobs.

Mr. Stokes: On a point of order, Mr. Chairman, and it is legitimate.

Mr. T. P. Reid: That is for the chair to decide.

The Deputy Chairman: I will decide, and you have the floor on a point of order.

Mr. Stokes: I will let you reserve judgement.

I have a statement here from the commissioner that says: "Everything is going fine; just

give us time. This is what we are doing." Among the things he enumerates is, "We are just about to release our study on whether or not Detour Lake should proceed and how it should proceed." The minister is about 50 or 93 miles ahead of him. The minister has already decided that he is going to go ahead with the development, and the royal commissioner has spent hundreds of thousands of dollars to tell the minister whether he should proceed with it.

It is not accurate for the minister to stand up and say, "The royal commission is doing fine, thank you." I do not know how many tens of thousands of dollars he spent making a report, doing an analysis of the social and economic impact of the development of Detour Lake. The minister boasts about having it ready in the next week, and yet he has already gone ahead with the program.

Now, is that a point of order?

The Deputy Chairman: That is a point of order.

Hon. Mr. Bernier: Mr. Chairman, if I may explain: The royal commissioner can say anything he wishes; he has that authority.

Interjections.

The Deputy Chairman: Order.

Hon. Mr. Bernier: He has a constituency to respond to and to speak on behalf of. It may well be that he will condemn the government. But I also have to tell the honourable member that although a royal commission does make recommendations it is still up to the government of this province to accept or reject those recommendations.

Mr. Martel: And if he says you should shut it down tomorrow, what are you going to do?

Hon. Mr. Bernier: We would not accept that recommendation.

Mr. Martel: Well, why have the royal commission?

Hon. Mr. Bernier: If the honourable member were in my place, he would not do that either.

Mr. Stokes: It is a waste of time and money, and the minister knows it.

The Deputy Chairman: Order. The minister has the floor.

Hon. Mr. Bernier: Mr. Chairman, the member for Lake Nipigon mentioned the coordinating responsibilities, the northern Ontario rural development agreement, access roads and the forestry agreements.

The vice-chairman for the northern Ontario rural development agreement is my assistant

deputy minister from Sault Ste. Marie, Herb Aiken; he is directly involved. In fact, I had the privilege and honour of signing that agreement on behalf of Ontario, with dozens of federal politicians—as the member will well recall, he saw their pictures in the various papers.

Mr. Stokes: That's the one the minister wanted to sign in Timiskaming and he had to go to Ottawa.

Hon. Mr. Bernier: I wanted to sign it in Thunder Bay. The Minister of State (Mines) was in Thunder Bay on the Sunday, but she didn't have the half hour to spend with me. Right in the middle of the election campaign, I had to spend two days going to Ottawa and getting everybody together to get it signed. I was that anxious to get it signed.

Mr. Wildman: She was on her way to Halifax.

Hon. Mr. Bernier: I would have gone to Halifax. I would have gone to Timbuctoo to get it signed.

Mr. Martel: No, she went to Halifax; her luggage went to Sudbury.

Hon. Mr. Bernier: Yes. That is what it was. Anyway, we did get it signed, it is in place and this ministry is directly involved.

The access roads program is under the northern Ontario resources transportation committee, and we are directly involved because we fund it through our ministry. We meet once a month to look at the access road program; the Minister of Natural Resources (Mr. Pope) is on that committee, as is the Provincial Secretary for Resources Development (Mr. Ramsay). They are on that particular committee that looks at access roads, and they are directly involved.

The Department of Regional Economic Expansion program is flowed through to the Ministry of Northern Affairs. We are directly involved in those things, and we are co-ordinating on a very real and positive basis. We are there all the time.

Mr. Stokes: Like Can-Car in Thunder Bay.

Hon. Mr. Bernier: I will talk about that. I will talk about the Can-Car decision. I am pleased the member brought it up. When the government made the decision to give Hawker Siddeley the contract for the Toronto subway cars, the streetcars, I believe that contract was something like five per cent more than Bombardier in Quebec. I do not recall anybody marching in Thunder Bay and saying the government did the right thing. Somebody said: "It is too little, too late. It won't last. It was a nothing kind of a thing."

We thought it was a major step, because my parliamentary assistant lived on my doorstep and pounded on the Premier's door in the hope of getting that contract for Fort William and the people in his particular riding. He was successful, and it was very difficult for the government when we do not have a preference buying policy vis-à-vis another province. We are very sensitive about that, because we have such a large industrial capacity in this province.

The bathtubs that are manufactured in this province are sold in Newfoundland and every other province in this country. The cars we manufacture here are sold in every province in this country. I have a similar problem when Manitoba contractors who have a much lower rate are bidding on Ontario jobs. Not a month goes by that I do not get a delegation at my door in my northern affairs office, complaining of unfair competition. In the interests of Canada, we cannot isolate ourselves; we cannot say we will deal totally with Ontario manufacturers and companies in making purchases for our own people.

There are instances and there are occasions, but if the differences are extreme—

Mr. Stokes: Tell the Premier not to make promises and raise false hopes.

Hon. Mr. Bernier: I do not know the actual figures, but in this particular case I understand the proposals were some distance apart, and it was not possible for the government to take that major step to go into the Hawker Siddeley plant. Nevertheless, I think the idea was that those cars—and there are not that many—would be manufactured at Kingston, using the expertise of the proponent that had bid on the particular job.

It is not an easy decision, but in the interests of Canada, in the interests of a national country, from the Atlantic to the Pacific, I admire the Premier's stand.

Mr. Stokes: It may have been a wise economic decision, but it was a stupid and misleading promise.

Hon. Mr. Bernier: I understand. I am as selfish as the member is. Let us be honest; as a northern member, I would have liked it to have gone to Fort William, I really would, because I live up there and I know what the effects of that contract would have been had they been manufactured in Fort William, but we have to accept the realities of life.

Mr. Martel: Help keep the promise that was promised to the north.

Hon. Mr. Bernier: I never heard the Premier make a promise like that, but I have to admire the Premier. He is very sincere and positive that we are Canada and we must serve all of Canada. We cannot put barriers on our borders, we really cannot.

I think I have answered most of the questions, Mr. Chairman.

Mr. Stokes: You didn't answer what it is your parliamentary assistant is doing.

The Deputy Chairman: The minister still has the floor. Are you finished?

8:50 p.m.

Mr. Stokes: What does your parliamentary assistant do?

Hon. Mr. Bernier: My parliamentary assistant, like his predecessor, is very active in the operations of the Ministry of Northern Affairs, and I might say he is of extreme help and benefit to me.

The member for Algoma-Manitoulin (Mr. Lane) is very knowledgeable about northern affairs. I am pleased he is with us tonight, because he is interested in the estimates of this ministry. His input to that part of northern Ontario on a daily basis was very beneficial. I was in touch with him, as I am with my present parliamentary assistant, on a daily basis as to what is happening in the northwest and right across the north.

He is sensitive, as the former member was. It is those eyes and ears of northern Ontario that are beneficial, not only to me but also to my deputy minister and all my staff. He has been working on my behalf in northern Ontario.

The Deputy Chairman: We were dealing with items that pertain to vote 701.

Mr. Wildman: Mr. Chairman, I suppose that last response is as specific as we can expect from a minister of the crown in this province when asked a specific question about what he does. I still do not know what the member for Fort William does except that he keeps in touch with the minister.

I have some questions with regard to the comments made by the minister about the Royal Commission on the Northern Environment and the role it should play in relation to his ministry, the Ministry of Natural Resources and other ministries of the government, and the concerns he has expressed and shared with us with in regard to the length of time and the effectiveness or ineffectiveness of some of the things the commission has been doing.

Does the minister think it would be useful for

the commission, the people of the province and the assembly if we were to arrange for the royal commissioner to appear before some body here, whether it be a committee of the Legislature or whatever, to give us a progress report where he could lay out before members of the assembly in a public way what he feels has been his success and perhaps what difficulties he has faced?

If there should be some change in the terms of reference, as the minister proposed, there is the question whether Mr. Fahlgren should be given the opportunity to appear before the members of the Legislature and make some recommendations on that matter.

Before I ask some further questions with regard to the co-ordinating role of the ministry, I wish to hear the minister's response to that, and specifically whether Mr. Fahlgren himself has talked to the Minister of the Environment (Mr. Norton) or the Minister of Northern Affairs with regard to any proposal for a narrowing of the terms of reference of his commission.

I will be interested to hear whether the minister thinks it would be useful for the commissioner to appear before the Legislature.

Hon. Mr. Bernier: Mr. Chairman, I do not think it is right and proper for me as a minister of the crown to call a royal commissioner and make that kind of suggestion, although it may be a good one. I am sure the royal commissioner will be reading the reports of the consideration of the estimates of this ministry, including the member's comments.

If he thinks in his wisdom it would be a good idea and if somebody would co-ordinate the northern members in a group, he might wish to explain to the northern members where he is at, where he is going and what time frame he sees himself working in to get the maximum input and complete his work under the terms of reference now given to him.

I hope he will give that some consideration, but I do not think it is right and proper that I, as a member of the executive council of Ontario, should call him and say, "You do this," or, "You do that."

Mr. Wildman: I was not proposing that, Mr. Chairman. I was asking for the minister's comments on the proposal that Mr. Fahlgren be invited. He could refuse if he wished or if it were inconvenient. I was not suggesting that the Minister of Northern Affairs should direct him to come and talk to people, but that he be invited and arrangements made, if that would be useful. Specifically, in the knowledge of this minister, has the royal commissioner proposed a narrowing of the terms of reference?

Hon. Mr. Bernier: Mr. Chairman, one point we should not lose sight of is the fact that Mr. Fahlgren has yet to report.

Mr. T. P. Reid: No. We have not lost sight of it. That is the whole point.

Hon. Mr. Bernier: He has not reported. The Minister of Agriculture and Food (Mr. Henderson) has said on a number of occasions, "You can't be condemned for something you haven't said." It may be that the northern members would like to speak to him prior to it. That would have to be his decision. I hope he reads the reports of the consideration of these estimates and this discussion to get some feel from both sides of the House as to where he is going.

Mr. Stokes: That is an interesting comment, that a person cannot be condemned simply because he has never done anything.

Hon. Mr. Bernier: The member has taken me out of context, Mr. Chairman. He has not reported. He has not made a recommendation. He has not put anything down in the form of a report to members of the Legislature. He has not done that yet.

The member is frustrated. The word I am getting from the native people is that they are relating to him. They see him as their contact. They see him as one removed from the bureaucratic system of government. They are relating to him.

I have to go back to the time factor and the time problem with which the member for Lake Nipigon is very familiar. We may be frustrated. Our only frustration has to do with the amount of money being spent and the time frame and the lack of a report. That is our only problem.

Mr. T. P. Reid: Mr. Chairman, I did not intend to talk about this, because I think it is a waste of time. But is the minister aware of an article that appeared in the *Globe and Mail*, entitled "Northland Probe Crawls Along Wasting Millions, Ex-Staffer Says"? I do not want to read it all into the record. I also had the opportunity to hear Mr. Fahlgren twice in the last month. He has not said anything. Let us be serious. Some of the Indian bands have said publicly they are not happy with him.

For it to be raised in this manner in this House by members is indicative of the fact that there are a lot of people upset, frustrated and wondering what is being done with their money. Regardless, the basis of this place is that people lean on us; so we are leaning on the minister in turn. If the minister has not seen this, I will send a copy over; I have a couple of extras.

The point remains that he has spent \$6.3 million or \$6.4 million, and we still have not heard anything from him. In this article, Mildred Barrett, the ex-staffer, says: "The commission has yet to make a recommendation to the Minister of the Environment, the government department it is responsible to, nor has it published any of its contracted studies in the past four years or carried out any research into acid rain, nuclear waste disposal, air pollution, water pollution or hydro dam development. I feel very, very sad indeed about what has happened," Mrs. Barrett said. 'The commission was probably the greatest opportunity the people of northern Ontario had to have an input into what is going to happen to the place they live in. It has not happened. The reason is plain fear of face-to-face contact with ordinary citizens and contempt for the practical common sense of ordinary people.'

Apparently, this woman was fired. I do not know anything about her. Obviously, there are problems with the internal operation of that commission. There are problems with the external operation. Mr. Fahlgren has spoken at two gatherings I have been at in my riding in the last month. He is travelling with a retinue of five people, which even the minister does not do. Even the minister, when he has to go to Winnipeg, does not travel with five people at the expense of the public purse.

I reiterate what I said the other day, that when the standing committee on public accounts looked at the Hartt commission and other royal commissions, we recommended most strongly that time limits should be put on these matters and that the government should say to whoever the royal commissioner happens to be that he has to report within a certain time or he has to give us good and substantial and public reasons why he does not. I think we are wasting time on this, and I suggest we get on to other matters.

9 p.m.

Mr. Stokes: Mr. Chairman, let me quote something that was done by way of an interview, just to call into question the minister's grandiose statements about there being no question that the royal commissioner is really behind the Indians 100 per cent and the Indians are behind him 100 per cent. This is from CBQ, a CBC affiliate, on October 21, 1981, not quite a month ago:

"The grand chief of the Treaty 9 organization, Wally McKay, has strongly denied claims that Indian people aren't ready for public discussions with non-native business leaders

over the future development of northern Ontario. The head of the Royal Commission on the Northern Environment, Ed Fahlgren, says he cancelled meetings between the two culture groups because the natives weren't ready for them. But, as Rosalee Woloski reports, there may have been other reasons.

"Rosalee Woloski speaking: 'Chief McKay says he doesn't know what's going on within the Royal Commission on the Northern Environment, but he says it's becoming painfully obvious that Commissioner Fahlgren doesn't really understand the Indian people. Chief McKay says the 20,000 Indians within Treaty 9 were ready five years ago for public discussions when they first called for the commission. Although he doesn't understand why the commissioner cancelled the highly successful community meetings, he says it wasn't because of the Indians. He says it may have been because some people within the commission were worried about what would happen at the second meeting.'

"Wally McKay speaking: 'The meeting in Pickle Lake was scheduled specifically for a prime purpose, and that is to begin the process whereby the two groups of people begin to know each other, to understand where they come from, the issues that they have in mind and specifically to begin discussion on the terms of reference for a public participation process within the Royal Commission on the Northern Environment. I certainly wasn't going to be part of a group where the terms of reference were already pre-decided and it was a matter of—that I would have been used in the manner of that I had no input into it.'

"Rosalee Woloski speaking: 'Chief McKay says he's planning to meet with the commissioner some time this week to discuss his statements about the Indian people and to see if the community meetings can be resumed. If not, then Chief McKay is going to go ahead and set up his own meetings with non-native leaders.'"

Ed Fahlgren aborted those community meetings after they were set up in Sioux Lookout with native and non-native people and after they had the terms of reference and were scheduled for their second meeting to set down their own terms of reference for community participation and to broaden the membership, after the native and non-native people had had an opportunity to get a sense of where they were going in this process that had been undertaken by some well-meaning people within the commission.

He did not cancel them because the native people wanted to cancel. They were anxious to

go ahead with the meetings. The proof of it is right here in this interview. I do not know where the minister is getting his information, but the native people are just as disconcerted and confused about the whole process as I am. That is why I am raising it at this time.

If the minister disagrees with me, that is fine; that is his business. All I am saying is that there is not a day goes by that I do not get something. I have a whole file on it. I am not going to bore the House and the committee with it. I am telling the minister that thing is floundering. It is going nowhere; it has lost its sense of direction. I do not know whether the present commissioner can get it back on the rails or not.

But because the minister has set this up, he has raised the hopes and the aspirations of an awful lot of people, native and non-native in northern Ontario. We have spent in excess of \$6 million and I think somebody has to do something to get it back on the rails again.

Hon. Mr. Bernier: Mr. Chairman, I am not going to comment on the press reports the honourable member has referred to. They may be factual, I am not sure. As I have watched this debate roll out over the last two or three months it is interesting that it happened after one or two people were let go from the commission. I think he will accept that. All the furore started when a couple of people were let go by the royal commission. The member knows who they are and I know who they are. It seems to me there is something going on in the background by those people who were let go.

In all honesty, the jury is out on the royal commission. Until he reports, until we get our teeth into something, I think it is maybe a little premature to condemn.

Mr. Stokes: This was before that.

Hon. Mr. Bernier: Like they said, he has not done anything yet and we have to get our teeth into something. Until he reports and until he answers—as the member for Algoma suggests, he should meet with northern members and explain—then I think we really have to rest our case and wait until we hear from him.

Mr. Martel: I find that hard to accept. I was in far northern Ontario as far back as January. The complaints were coming then about Mr. Fahlgren. I was told by one member he spent two thirds of his time in an airplane, somewhere between Toronto, Timmins and the far north. There was tremendous bitterness and there is bitterness from some of the people who have quit or were let go.

According to the information I have, there has been very little done with respect to research on acid rain; very little to do with nuclear waste disposal, which the minister supports. His government is not prepared to allow drilling in southern Ontario by the Atomic Energy of Canada Limited and he supports that. But it is okay to drill in the north, where there are no studies going on, with regard to the effects of air and water pollution due to industrial development.

At the same time there is very little being done, I am told, with strategic land use plans to tie in with the Ministry of Natural Resources. At the same time there is expansion going on in the forestry industry, mining and gas pipelines. This has been going on too long without our knowing anything positive.

I remember the whole fight that started this issue. That goes back how many years ago? It was when Stephen Lewis was raising that issue about the English-Wabigoon river system. I guess that is really where it all germinated. That goes back a long time. Then Chief Justice Hart was appointed and he did a major analysis. But from that time until now there has been nothing; the silence is deafening.

The native community is not nearly as receptive to Mr. Fahlgren, as the minister would have us believe. I guess they are holding their breath, hopeful that somebody will say something soon. But as my colleague points out, Detour Lake is proceeding. He is going to report on it. That is something like the cart being before the horse is it not? They are proceeding there and he is going to report and recommend on it.

Mr. Stokes: It does not matter what he says.

Mr. Martel: It is a fait accompli. The thing is a waste of time and money now, that portion of whatever report he is going to bring in.

I wonder how many more things will have gone by the board before he deigns to put in a report so we can look at it. I heard the former member for Cochrane South, Mr. Ferrier, the other night on CBC and he was not very happy about it. In fact he was quite critical. The minister knows my friend Ferrier is not one who has gone around, over the years he has known him, casting aspersions willy-nilly. One thing Bill was always careful about was what he said. He was very temperate in the way he said things. That was in his tone the other night but there was a note of almost frustration at the lack of progress.

9:10 p.m.

Mr. Minister, you can pretend it is not happening, but it is. The Globe and Mail story recently, on November 9, said, "\$34 million Sought by Indians of Northwestern Ontario for Pollution and Flooding."

If we wait for Fahlgren's report it might be 10 more years before we get around to it. Maybe it is a stall tactic on his part. As long as one does not report one does not have to spend money. One does not have to do anything. But surely, three years?

I remember being at a party one night with Chief Justice Hart within the last year and a half. He was certainly somewhat dismayed at the length of time. He was not happy and I had an interesting discussion with him because he had seen firsthand the effects on native people of what we have done to them in the English-Wabigoon river system.

It gets depressing because it has been so long. Some of us were in on those debates when the former leader of this party documented the problem carefully. I remember the standing joke when the ministry was going to help and they put a couple of refrigerators in on one of the—

Hon. Mr. Bernier: That sure backfired on him.

Mr. Martel: Yes, I know. He put a couple of refrigerators in on one of the reserves. Whoop-de-doo.

Hon. Mr. Bernier: He is still embarrassed about that.

Mr. Martel: He might have been embarrassed about that—he was supposed to be embarrassed. He was supposed to be embarrassed by a little scenario I think the minister established when he went into Minaki Lodge and someone on his behalf had it all orchestrated. But here we are in 1981 and Minaki is still a white elephant. The minister has spent \$18 or \$20 million on it. They are all down his neck.

Hon. Mr. Bernier: A point of order, Mr. Chairman: I just want to make it perfectly clear and I want the record to show that neither I nor nobody in my political party had anything to do with the Minaki fiasco as it relates to the Stephen Lewis visit.

He is going across this province making great speeches and saying Leo would not allow him to see Minaki Lodge. I will defy any member of this Legislature to go to Minaki Lodge—today, tomorrow, five years from now—and ask the people of Minaki Lodge if Leo Bernier was involved.

They will tell you categorically, "No." They did not want us; they did it on their own. They felt very strongly about it and it was the first time Stephen Lewis ever came across the feelings of northern Ontario. That was the turning point in that election campaign. He has never looked the other way since because he knew he was wrong, he knew he did not have the feel of northern Ontario. He knew he was wrong on Minaki Lodge and that was the downfall of Stephen Lewis.

Mr. Piché: If I were to go to Minaki, I would have stopped him too for the comments he was making. He did not know what he was talking about.

Mr. Martel: Yes, the ministry made the great promise over Minaki Lodge—it was not Stephen Lewis. They were going to have a resort in there that was going to be the envy of Canada.

Hon. Mr. Bernier: It still is.

Mr. Martel: It still is? When is it going to get functional?

Hon. Mr. Bernier: In 1982.

Mr. Martel: In 1982. Thank God they did not hold their breath waiting.

Mr. Stokes: Come on, you have to hedge your bet on that.

Mr. Martel: Thank God none of them held their breath waiting for the promise because that was 1977. This is 1981. There has been another election since and in that four years what did the minister do? Did he make a kitchen? Did he at least get some utensils in it so they might cook something?

Hon. Mr. Bernier: My friend from Cochrane North—

Mr. Martel: Oh, the minister's friend from Cochrane North (Mr. Piché). I have listened to him for some time, even before he came to this Legislature, when he was pounding the government because they would not do anything with respect to transportation. We saw a railroad close today costing 25 jobs in my home town as a result of the federal government's policy. There was nary a whimper for those people who live on the Canadian National Railroad line who do not have road access and no longer have a train. Nary a whisper from over there. I wish my friend would have gotten up and said something about transportation for those people as well. But there was none.

To go back to Mr. Stephen Lewis and 1975 and 1976 and the plight of the native people and what you were going to do for them, the whole

thing was a sop—put off, postponed, delayed. How long, oh God, how long are they going to have to wait for something? Mr. Minister, if Mr. Fahlgren comes in with a report tomorrow, you will then have to study it. There might be a cabinet committee. Do you remember the cabinet committee on resources that Mr. Frank Miller was going to chair—

Mr. Wildman: On mining towns.

Mr. Martel: —on mining towns. They never had a meeting. Do you remember during the layoffs at Falconbridge and Inco that was the great committee Mr. Miller was going to chair? There was nary a recommendation. The only thing we got was a promise by the Premier that what we needed was a rapid transit system to take workers from Sudbury to Elliot Lake on a daily basis. What did we get? The minister said to me last Friday, "We have studied it and it was not economic." In fact, they went over it with a jet. It went swoosh. That was the study.

The amount of study that went into that was nil. I talked to the people who had been promised this. I talked to people from the region not six months ago as to what was happening with respect to that because they made a presentation to the Minister of Transportation and Communications. It was not even in there.

There was no discussion. You washed it out. It was a sop. It was to tell the people from Sudbury there was some hope. The only hope is that 5,000 people left the Sudbury basin. That was your solution. There was nothing. Now we are treating the native people in the same way and probably even worse because this has been going on since 1974-75 when Mr. Lewis started raising the matter.

We do not have the report yet. Then it will be sent to another makeshift cabinet committee which will meet some time next year to study the report. When it studies the report, it will hive it off to certain ministries. Those ministries will have to develop some co-ordinating papers. They will bring it back to this august body of cabinet ministers who are going to make a decision. It is like the project that has gone ahead at Detour Lake—

Hon. Mr. Bernier: Are you against it?

Mr. Martel: No, not in the least.

Hon. Mr. Bernier: That's what I like to hear.

Mr. Martel: But if that is what the rest of the report is like, why continue? I encourage my colleague to get up with all the material he has

on this, because things are almost in a state of—what does one call it when there is no motion?

Mr. Stokes: Suspended animation.

Mr. Martel: Suspended animation. That is really what is going on there—nothing. Those people who have worked within the native communities are not really happy. I would hope the minister would say he is not happy, damn it, that he wants to do something for the native community because he has many native people in his riding. I am sure he would like to get on with trying to do something to improve their lot in life.

At the rate of speed with which we are waiting for that report, Mr. Minister, you will not be around here long enough to implement anything that might be recommended by the time you get that report and finish your analysis. Why do you not get up and say: "He is too slow. He has cut off communications with the various communities. He has cancelled meetings and we do not like it."

Send him the message through this Legislature that you are not happy with what he is doing. It is time he got off his can and did something except, as the member for Rainy River says, going around with a retinue of five people. Somebody else told me he spends two thirds of his time in a plane. Send him the message you want to get him busy doing the job he was given to do some three years ago.

9:20 p.m.

Mr. Chairman: While we are in the spirit of this discussion I would just like some guidance on votes. Are we just having a freewheeling discussion from 701 to 705?

Mr. Stokes: We are dealing with the administration, vote 701.

Mr. Chairman: All right.

Hon. Mr. Bernier: If I may respond to the honourable member for Sudbury East, I do not know anything more that I could add with regard to the Royal Commission on the Northern Environment without repeating myself. I share in some way his frustration and concern, and I am pleased he has put it on the record.

I want to respond to a couple of points, particularly one that relates to the Via Rail cutback. I believe the member made a comment that we sat on our keisters or did not get off our butts—something along those lines. That is not correct, because if anyone has given me support—indeed, all the strength he can muster—in fighting the federal government in

these cutbacks it has been my colleague the Minister of Transportation and Communications (Mr. Snow).

We have communicated with the federal minister; in fact, it was on a cabinet direction that the Minister of Transportation and Communications went to see Mr. Jean-Luc Pepin the day after he made that great pronouncement. Do you know the reception he got? "Do not waste my time. What I have said is cast in stone, and there will be no changes on the commuter routes in southern Ontario or the run across northern Ontario. Do not waste my time and I will not waste yours."

He proceeded to discuss it further, because we are interested in that northeastern Ontario corridor as it relates to the Ontario Northland Railway. We hope some day Via will take it over as part of the overall passenger transportation cycle and program they have in place. I have some concerns they might—

Mr. Martel: No. Never do that.

Hon. Mr. Bernier: As a taxpayer in this province you might save a considerable amount of money, but—

Mr. Martel: No. Not the way they operate it.

Hon. Mr. Bernier: That is the concern I am getting to. There would have to be certain guarantees before we would agree to any takeover by their rules and regulations.

Mr. Stokes: Via Rail: they downgrade the service, drive everybody away and then complain to the federal government that people are not patronizing it.

Hon. Mr. Bernier: That is a concern I have. But under their national policy, of course, they will take it over, and it is their goal eventually to take over all the the long-distance rail passenger service in this province.

Mr. Martel: Get serious.

Hon. Mr. Bernier: Long-distance hauls. Yes.

Mr. Martel: Don't let those beggars touch anything.

Hon. Mr. Bernier: That is one of the things I want to tell you. The reception he got was not very positive. And if there is any blame to lay as it relates to northern Ontario—and you are as concerned as I am about northern Ontario—

Mr. Martel: Wall-to-wall Liberals.

Hon. Mr. Bernier: Wall-to-wall Liberals. We have heard it all before. I am sure the member for Rainy River (Mr. T. P. Reid) will agree with us that we should have heard more from the federal MPs across northern Ontario. It was a

quiet, mealy-mouthed little press release, not too big, objecting to Jean-Luc Pepin's cutback. It was not loud enough to stir the waters in Ottawa; it was just to let the people back home know they said something.

Mr. Stokes: I did not see that.

Hon. Mr. Bernier: I saw a little bit. Two or three members said something, and I was concerned, really.

Interjections.

Hon. Mr. Bernier: I am sure that if they had formed a northern Ontario bloc—and there are 15 federal MPs in Ottawa from northern Ontario—they could have stopped it.

Mr. T. P. Reid: They are like Tory back-benchers; they all keep their mouths shut because they want to get into the cabinet.

Hon. Mr. Bernier: There it is: you have heard it. Enough said. I will not take the time of the House any further.

But this government cannot be that bad in the Sudbury basin. We have done great things and have given great support to that community. We have responded to 2001, we have responded to—

Mr. Martel: I have got to speak on that.

Hon. Mr. Bernier: Okay. I wish you would.

Mr. T. P. Reid: Don't be provocative.

Hon. Mr. Bernier: I know you will not be.

But on that \$10 million provincial building, the people of Sudbury responded. If I am correct the member for Sudbury (Mr. Gordon) is sitting over here now; he sits on this side of the House.

Mr. Martel: And he negotiated with this side of the House to run for them.

Hon. Mr. Bernier: He sits in that seat over there. He is a very good member, a very effective member; we are pleased to have him here. So while you stand in your place and say how terrible things are in the Sudbury basin I have to remind you as sincerely as I can the people of Sudbury recognize what this government is doing for Sudbury and northern Ontario by sending very able fellows to this side of the House. The Jim Gordons are the kind of people we welcome here.

Mr. Martel: Watch your back.

Hon. Mr. Bernier: No, I am not concerned about that. I am pleased and proud to have him on our team. We have some new members, the member for Cochrane North (Mr. Piché)—and I can go down the list—the members for Parry

Sound (Mr. Eves) and for Nipissing (Mr. Harris). The strength of these back-benchers in the Tory ranks today has never been greater. I have been here for 16 years and I have never known the strength we have on the back benches. They came on March 19.

Mr. Chairman: Before the member for Sudbury gets wound up here, are we finished—

Mr. Martel: I want to comment on rail transit, if I might finish that little discussion. If you had really been sincere, you might have tried at least to take out a court injunction. You might have tried something to provide service to that—what is it?—1,000 miles across there, much of it without road.

I know the federal Liberals did not say a word. In Sudbury, Doug Frith agreed. He said we should not even have a hearing. Do you know why they said we should not have a hearing? It was because they had one three years ago and the Canadian Transport Commission ruled they had to provide service to those isolated communities. Where were you? Why did you not pick up on that? You and the Minister of Transport—

Mr. T. P. Reid: They made a deal with them, too.

Mr. Martel: To say nothing—

Hon. Mr. Bernier: You heard my remarks in Fort Frances. I condemned them on their Via Rail policy. I said it publicly.

Mr. Martel: Maybe you should have said it in the courts—at least tried the route of an injunction. You could have showed a little concern, a little clout. There was nothing except Mr. Snow went down to Ottawa cap in hand and Mr. Pepin in his usual manner dismissed him in a cavalier way and that was the end of the war. But many of those residents along that line—I do not know how many miles; I guess it is 814 or something like that—from Capreol to Winnipeg do not have any way out except by rail.

If you have never lived in an isolated community, and I have, and you rely on a train every second day, one hopes that, if one is going to get sick, it is on a day there is a train so one can get out. There is one's reliance for food via that route and so on. There was nary a whimper. There was a little trip to Ottawa and you collapsed.

Saskatchewan at least tried to take out an injunction and the native people up in the Gaspé I guess continue to put sand on the track to stop the trains. What did we do? We whimpered, rolled over and played dead.

Let me tell you about the member for Sudbury (Mr. Gordon)—no, I will not. The last time I heard him negotiating, he was negotiating with the Liberals to run for them and that was about seven days before nomination day. He declared publicly he was not running and then the regional chairman was silly enough to go to Ottawa on the last day they were selling memberships to the Progressive Conservative Party for the nominating convention.

The member for Sudbury, at 4:55 in the afternoon, went down and bought himself \$1,200 worth of memberships after telling his council and declaring publicly he was not going to run. The silly regional chairman believed him and went off to Ottawa. By the time he came back there were not enough memberships left for him to buy. He could not buy anybody to get him into the convention. Jimmy had them all.

9:30 p.m.

Mr. Chairman: This is a great story and I would love to hear more of it, but—

Mr. Martel: I only say this, Mr. Chairman, because the minister provoked me. He talked about what they have done for Sudbury. The provincial building, while a nice edifice, doesn't create work. Five thousand people have left the Sudbury Basin since the layoffs at Inco. Tell me what you have done to overcome that? A science centre is a nice thing to have, but it does not create jobs for our young people. They have to continue to leave the Sudbury Basin. That is something none of the Tories from northern Ontario have really argued, publicly at least.

We do not need more in resource extraction, we need manufacturing. I am hopeful that, after the purchase of Suncor, next week it will be Pinco, the people's international nickel company, you might buy out. Then we will have some jobs. That is the problem of the north. Some of you do not want to admit it yet, but look at the decline and the ages, and you will see the young people are leaving. You can get up and use bombast all you want but in the final analysis even your four kids have had to leave the north because they could not find jobs. That's the tragedy of the north. That's why we tried to give you some planning in economic terms five or six years ago when this ministry was created.

You can try all the nonsense you want—a provincial building and a science centre—but our kids still have to leave the north, and that is the cold hard reality. You can give me all the other gobbledegook you want, it does not change anything and that is what bothers me.

My kids should have a choice of whether they want to remain in the north, whether they want to go west or south. Unless they want to work in the mines or the pulp and paper industry or unless they are in some profession, there is very little.

I watch jurisdictions like Japan that don't have any resources and they lead the world. We have all the resources in northern Ontario and we cannot keep any there, even to refine, let alone manufacture. I can remember when I was still in school we had 95 per cent of the world's nickel, and we traded it away for nothing. We got a Falconbridge that has yet to refine a pound of nickel in Canada. It refines it all in Norway. The tragedy for the north, when you get rid of all the nonsense, is that there is no place for our kids and there is no manufacturing. Until that comes, there will continue to be an exodus of young people whom we have educated at high cost to find meaningful work.

Your government, as in the Fahlgren report that is now four years in the making, has done very little to change this. All the Tories can get up, pound their desks and say, "Yes, we have great representation," but it is not changing a damn thing and that is the tragedy of northern Ontario. It is a fabulously wealthy place that gets very little in return for the resources extracted—very little in jobs, very little in tax and none of the amenities of southern Ontario. You can argue until hell freezes over and you know you are wrong.

Mr. Chairman: I see the minister will not be responding to this vote any further. The member for Rainy River.

Mr. T. P. Reid: Mr. Chairman, we have heard the comments of the member who just spoke, and I mentioned something similar in my remarks. We keep playing around on the margin with these things, but we do not really deal with anything of substance. Just before we move on to vote 702, I wonder if I could go back to analysis and planning. The minister indicated he would provide me with a list of things that group was analysing and planning.

Last Friday, I drew the chairman's attention to all the studies and reports we have in northern Ontario. When I moved on to analysis and planning, the minister got up and said, "You are asking for more reports after saying we already have too many." What I am asking for is some results from all of these studies and projects, whether it be from a royal commission or those of the Ministry of Natural Resources or the land-use studies or the studies on game and

fish, or those on the lack of timber resources, or the lack of sawlogs in northern Ontario, and so on.

What we really want to know is what are they going to do about them. What is there in the analysis and planning stage about which we can say to the people who live in northern Ontario, "There is some light at the end of the tunnel, and the government in its wisdom, finally—after this ministry has been in operation for five years—now has some kind of reasonable blueprint to operate by," instead of the fact that we still depend on the mines to be found. We know there is no more wood to be had. Our whole economic development policy in northern Ontario now seems to be tied to the mining sector. There is nothing else.

Mr. Stokes: We are closing down the mines and mining the forests.

Mr. T. P. Reid: That is right. There is nothing left. Those are short-term operations, because we are not refining and milling anything in northern Ontario.

What is the analysis and planning branch actually doing? Where is some kind of blueprint? Where are some guidelines for places like the next Atikokans, the next Manitouwidges, the next Stelco, the next Griffith Mine at Ear Falls? What is going to happen to these communities? What can they expect in the way of assistance, rather than going through this ad hockery business as we have done for years?

Hon. Mr. Bernier: Mr. Chairman, to respond to the honourable member's inquiry, what he is asking for is described in the estimates book. This activity covers two branches. The financial and program planning branch has one director, a manager, a program planner, one—

Mr. Stokes: We know that. What are they doing?

Hon. Mr. Bernier: I will get to that.

Mr. Stokes: That is not in the books.

Hon. Mr. Bernier: I will get to that point. I want to put down who is involved, because I know the members will ask me how many people are involved.

The financial and program planning branch has one manager of financial services, four secretarial people, seven program and financial analysts, an adviser, and one financial officer. The policy planning branch has one director, one secretary and five policy advisers. The two branches have been recast as of September 1 into a new mould, the strategic planning secre-

tariat and the financial administrative services branch, but the number of people has not changed.

What do they do in the field of planning analysis? They identify and quantify the needs of northern Ontario for the next 10 years with respect to sewer and water projects. As the honourable member is very much aware, we top off the assistance given by other ministries, namely, the Ministry of the Environment, with regard to sewer and water projects. We have to have some long-range information and priorities established with regard to the infrastructure requirements of our northern Ontario communities. There is a very intense review going on, and it is being updated on a regular basis.

They evaluate the opportunity for new activities; medicinal herbs is one. The waterfront development program for many northern Ontario municipalities is something going on at the present time. They explore the potential for expanded economic activities. There are papers on fur processing and import substitution, to which the member for Sudbury East (Mr. Martel) is constantly referring, and on the development of industrial minerals, in which we are actively involved now.

They are developing a program to stimulate local entrepreneurship with the Ministry of Industry and Tourism. There are plans to stimulate the search for alternative energy by initiating programs with the Ministry of Energy and the Ministry of Natural Resources on solar heat, wood gasification and low-head turbines. Is Sultan in the riding of Algoma?

Mr. Stokes: It is in Nickel Belt.

Hon. Mr. Bernier: That project is one we initiated with Ontario Hydro; it recently came on stream.

9:40 p.m.

Mr. Stokes: It is not working. I just asked the member for Nickel Belt before I came in here how it was going. He says it is not working.

Hon. Mr. Bernier: We are going through a break-in period. It is a new project. It has not been tried before at that size. There are certain problems with it, I have to admit that. I understand that once the break-in period is over, it will be providing the required electrical power for that little community that normally was generated by diesel units. Those are the kind of things we are doing, very real things.

There is the greenhouse at Raymore, using heat from the TransCanada PipeLines compressor; and we are looking at other establish-

ments right across Ontario. I understand there are something like 14 or 15 that are using that excess heat. We are playing a leading role in the evaluation of studies by other ministries in developing Ministry of Northern Affairs studies. As an example, we are involved in working with Northern Ontario Tourist Outfitters Association in a very broad study looking at the access road program with which the member for Rainy River is very familiar.

They brief the minister and the deputy before cabinet committees and other meetings we have. They monitor and analyse proposed legislation and programs initiated by other ministries for their impact on northern Ontario. A very detailed analysis is done. It takes time and effort to make sure the proposals coming from other ministries are compatible with our thinking as it relates to the needs and requirements of northern Ontario.

They liaise with cabinet committees on the Board of Industrial Leadership and Development and with the Department of Regional Economic Expansion; evaluate proposals by others and prepare proposals for the Ministry of Northern Affairs; represent the ministry in budget allocation processes at cabinet committees; co-ordinate with other ministries and finalize programs and projects to be included in the budget, and we are always working on next year's budget; prepare scenarios for budgets in the years to come; evaluate the effectiveness of programs and projects supported by the Ministry of Northern Affairs and prepare management by results reports for Management Board; co-ordinate the selection and prioritization of the Ministry of Northern Affairs funded programs and projects with other ministries and agencies.

In other words, as members are all aware, we top up and assist other ministries in specific programs we think should be done in northern Ontario, and we have to monitor and make sure those programs and those projects are completed to meet our demands.

Joint programs and resource access roads are good examples in support of forestry and mining, which are partly funded by the Ministry of Northern Affairs through northern Ontario resources transportation. We also deal with financial control of budgetary and other administrative expenditures; requisition of cheques for grant payments; processing of journal entries from other agencies; continuous updating of computerized records for expenditures and expenditure forecasts for the current year;

administration of tenants' records and other staff; and negotiation and administration of lease and purchase documents. So it is a very broad responsibility.

Mr. Mancini: I want to hear more about the greenhouse.

Hon. Mr. Bernier: The honourable member can laugh if he wants, but I recall that last year during my estimates I delivered two cases of beautiful tomatoes that came from that greenhouse.

Mr. Mancini: But how many pounds per plant did you get? What was the cost per pound per plant? Do you have a marketing board to market the product, and where is the market?

Hon. Mr. Bernier: I don't have those figures. It is a pilot project. The range is very broad and all-encompassing.

Mr. T. P. Reid: One further comment on this vote, Mr. Chairman, in regard to the information services branch: There is a comment in the briefing book about how they are going to do great things in attracting doctors and dentists to northern Ontario.

There has been a series of projects or meetings arranged by our old friend, Dr. Copeman, dearly beloved of everybody in northern Ontario, who believes that northern Ontario is just slightly north of Bloor Street. Can the minister give us a little more detail? He might tell us what has happened there, whether we found a doctor for Ignace, which is dear to the minister's heart since he used to represent the area. What has happened in that regard?

Perhaps the minister might indicate to us whether any thought is being given by his ministry, or by the Ministry of Health or the Ministry of Education or in combination, to setting up at Lakehead University or Laurentian, preferably Lakehead, some kind of professional school to deal with the lack of medical personnel, dental personnel and nurses and so on, in northern Ontario? Has any thought been given to setting up some kind of school in the north to attract people there who will be educated in the north and, it is to be hoped, will stay in the north afterwards?

Hon. Mr. Bernier: It would appear the honourable member recognized the efforts of the information branch with respect to the attraction of doctors and dentists in northern Ontario. It is something we started two or three years ago.

I suggest that he contact the people or the municipal representatives from his riding who

were at that meeting; I believe the reeve, Joan Barnes, was there. They were really excited about the success of this year's exercise.

As the member knows, we funded those municipalities on a dollar per mile basis to encourage them to come down. They came and operated out of Toronto and visited about five or six medical and dental schools.

Mr. T. P. Reid: How many doctors and dentists?

Hon. Mr. Bernier: I do not know what the results were. But if the member was not invited to the exercise down here at the Sheraton Centre—

Mr. T. P. Reid: I wasn't.

Hon. Mr. Bernier: I am sorry he was not. I thought all the northern members were invited.

Mr. Stokes: Yes. I was. There's a doctor and dentist in my home town now looking over the situation.

Mr. T. P. Reid: I wasn't invited.

Hon. Mr. Bernier: But if he was not invited, I will see that he is invited next year to see all the communities. We had something like 30 communities there. It was an exciting afternoon. I spent an hour or two there myself with Dr. Copeman and many of my own northern affairs staff.

All the communities were set up. The doctors and dentists were invited to come and to share with them their desire for more information. It was really something to behold. Many of the communities were well prepared. I have to admit that some, the smaller ones, did not have the expertise to put up the displays like the ones North Bay or Sudbury had, and I think they felt overwhelmed. For instance, Gogama and Chapleau felt overwhelmed by Sudbury's display.

It is interesting to note that the group from Sudbury brought a very charming, good-looking girl with them as part of their information and working group. Of course, she was very aggressive and met the doctors and dentists as they came through the door and said, "You want to go to Sudbury, don't you?" That was the first contact they made and before they had a chance to look at any other community, they were escorted to that community's show.

Mr. T. P. Reid: Shocking.

Hon. Mr. Bernier: It was well done and they were aggressive and moved around with enthusiasm. The communities were very proud to participate. I think this is going to be an ongoing

thing. As Dr. Copeman pointed out to me, his requirement right at this time would be about 50 doctors in northern Ontario. He says, "If I could recruit one a week for the next year, I would have my problems resolved in northern Ontario."

Mr. Stokes: By that time, 50 will have left.

Hon. Mr. Bernier: Fifty will have left; right. I have said to the communities as loudly as I could, "Get them up to your community, get them to buy a skidoo and a fishing pole and get them out to see what the quality of life is all about in northern Ontario." I bet they will stay. Once they have bought a summer cottage and a home, their roots are there and well locked in.

I can say that particular program was one of the success stories. Again, it is one of the programs whereby we get the co-operation and support of another line ministry. But we had to take the initiative. We took the initiative and said, "Look, this is the way to do it." There were some sceptics at the start, I admit. But I think it has proven itself, and we will continue it as long as we can get that kind of response from the municipalities and from the medical profession.

No, we have not looked at the idea of a major centre at Laurentian or Lakehead University for the encouragement of medical people for northern Ontario. I do not know what real purpose we would achieve, because they are down here and will not go up there. To get them up there is the big problem.

9:50 p.m.

Mr. Stokes: It is the law of supply and demand. We have lawyers coming out of our ears in the north now simply because the place is flooded down here. If we have too many doctors chasing too few patients, they will go up there.

Hon. Mr. Bernier: Flooded down here? Let's hope—

Mr. Stokes: That is what the member for Rainy River was trying to tell you.

Hon. Mr. Bernier: In addition to our recruitment program, of course, the honourable members are very much aware of the bursary program we have and the incentive programs that we have.

Mr. Stokes: They always tell us that there is no shortage, that there is just a maldistribution.

Hon. Mr. Bernier: I have never thought about the idea, but it may be worth considering.

Mr. Wildman: I want to follow up on a number of things that the minister has raised regarding his role as a co-ordinator. I have a

couple of brief comments with regard to the northern Ontario rural development agreement and northern Ontario resources transportation.

Mr. T. P. Reid: Are we on that item yet?

Mr. Wildman: No. If you want to go on with this, go ahead.

Mr. Chairman: Sorry; I thought we were still on vote 701.

Vote 701 agreed to.

On vote 702, northern economic development program; item 1, program administration:

Mr. Chairman: Steaming right along.

Mr. T. P. Reid: I will not be too long, Mr. Chairman. I am concerned about resources development and industry development. Reading the notes in the estimates book is very interesting but if you talk to people in northern Ontario I do not think they would really believe or agree that what is suggested is being done is, in fact, being done.

The goal of this vote is to stimulate economic development and diversification throughout northern Ontario. I would like to hear some specifics of what the ministry has done to diversify the economy of northern Ontario. As I said earlier, we are still playing the same old game of developing our resources only to the primary stage and we are obviously finding, as in most things, that this is not providing enough employment for people.

We are also talking about grants to northern municipalities for such projects as industrial development studies, servicing of industrial parks, tourism facilities and infrastructure. I hope the minister has finally seen the light and is doing something about a disgraceful situation. The first entrance to northern Ontario for most of the car traffic is at Fort Frances, and they are doing something there, but I want to make a special pitch in this case in regard to the water problems that the town of Fort Frances is having.

This is where it seems to me this whole ministry breaks down. The ministry is not looking at the totality of a situation. The minister has indicated to me in private conversation, and I gather by letter and in other conversations with town officials, that his ministry cannot help with the funding for the water system in Fort Frances until 1983 or 1984. There is a report that indicates the water system probably will not last that long.

To add to the confusion and the problems, the town of Fort Frances is trying on its own, as best as it can, to develop an industrial park, but

it has been told by the Ministry of the Environment that it will not get any approvals until the water system is fixed in the town itself.

We are in a catch-22 situation where the town does not have the money, particularly at this time, to go ahead with improving the water system, and the other ministry is telling them that they cannot go ahead with the industrial park until the water system is fixed.

The minister cum Santa Claus, who has this big bag full of money that he just loves to dispense, is telling us that we will not get any funding until it is going to be too late. If something is not done to the system before 1983 or 1984, it is perhaps going to lead to serious difficulties in the town itself. If it is left any longer, it is liable to cost two or three times the amount of money to deal with it in 1983 or 1984.

I asked the minister if he could not reach into that bag of his and come up with some money to speed this project up so that not only will the town system be repaired and improved but also the industrial park, which would help to diversify the economic base of Fort Frances, a one-industry town, would be helped by improving the water system overall.

Hon. Mr. Bernier: If I may respond to the honourable member, Mr. Chairman, I have a lengthy list of projects related to transportation development and resource development. I do not know whether you want me to put it on the record; I would be glad to, if I could first deal with the question about Fort Frances.

The honourable member is correct in pointing out our interest and concern about tourism development in Fort Frances and in the north-west in general, because Fort Frances is a major entry point for Canada and for northern Ontario. It seemed obvious to us that the development of a major tourist information centre in downtown Fort Frances, at the entry of Fort Frances, to make it attractive and a lasting experience, was something that needed some priority.

We gave it that priority in our ministry and we are co-operating closely with the Ministry of Industry and Tourism and the Ministry of Government Services in developing what will be a first-class information centre right in downtown Fort Frances. It may have some nonacceptance by certain people because of certain facilities being removed.

Mr. T. P. Reid: They're destroying the entertainment.

Hon. Mr. Bernier: Destroying the entertainment for the cultural centre?

Mr. T. P. Reid: The Minister of Transportation and Communications (Mr. Snow) will never return.

Hon. Mr. Bernier: The cultural centre for certain people?

I share the honourable member's concern about the requirements for an updated, improved water system, a treatment plant and a standpipe for Fort Frances. We have had some ongoing discussions with the mayor and the council, as he well knows, about the possibility of their contributing a certain portion to get the project started in 1982. We are seriously looking at some financial assistance in 1983, and I informed them of that.

They have a certain amount of boring capacity. They have a reserve, I understand. With all due respect, one sometimes has to look at one's priorities. They have a beautiful town hall there. It is second to none in northwestern Ontario.

Mr. T. P. Reid: That was built five years ago or longer.

Hon. Mr. Bernier: The requirements for an improved sewer system and the pressure problems have been there for a long time. The overpass, which the member is familiar with, and the improvements to their streets are things about which one says to oneself, "If the requirements for sewer, water and a standpipe were so real, why did they not come on stream two or three years ago?" They make decisions. They are politicians like we are. They do not get many votes for pipes they put in the ground. That does not get one many good editorials.

Mr. T. P. Reid: They did not know how bad it was until recently.

Hon. Mr. Bernier: I understand that. I have to say in all honesty, they brought me a sample of some of the water that was taken from a certain part of the system, and it is something that needs immediate attention; there is no question about it. We are working with them on this problem. Of course, they have to give it a management by results rating under their system, and we move in afterwards.

I am confident, after our latest discussions with the mayor and his council, that we can resolve it and get something started in 1982. I hope we can, because we are serious in looking after the needs of that community. I guess the town of Schreiber edged Fort Frances out by a nose in getting the last few dollars we had available. I am sure the member would not disagree with that.

Mr. Stokes: It has been well spent. They just tore up all my lawn.

Hon. Mr. Bernier: The funds are being spent in northern Ontario, and we will take the member's request under serious consideration. The list is rather long. Does the member want me to put it on the record?

Mr. T. P. Reid: No. Send me a copy.

Hon. Mr. Bernier: Okay. We will send you a copy. It deals with the transportation development projects we have in northern Ontario and a long list of the northern economic resource development projects we have under way in this last year. It is very extensive. It is three pages.

Mr. T. P. Reid: Send me a copy.

Mr. Stokes: Mr. Chairman, I want to follow up on what the member for Rainy River has said with regard to the goals outlined in vote 702. Everybody can subscribe to the notion that it is the responsibility of the northern economic development program "to assist in the achievement of economic stability, growth and diversity in the north." Economic stability, market forces, market conditions, high interest rates and all of that have had a very profound effect on all of North America and, in fact, all of the western world.

10 p.m.

I am interested in finding out what the author of this document meant when he said "diversity." I know all about adversity, but I do not know about anything this minister has done in an attempt to get diversity with regard to the north. As my colleague the member for Sudbury East said in an earlier vote, our most precious resource is also coming down here along with our mineral and forestry wealth.

Until we get this kind of diversity that is spoken of in this briefing book, we are really not going to attack the real problem facing people in the north, who have to come down here for post-secondary education. That is the last we see of them.

I did not know that the minister's three children had already flown the coop. We had four, two boys and two girls, and they are all long gone; one of them is out in Mississauga, the other one is in her fourth year at Western, there is one out in Saskatchewan and another one is out in Calgary. That is the way it is with most families in the north. So until we get this kind of diversification the minister is speaking of in this vote, that trend will not be reversed or altered.

Something that concerns me in this vote is transportation development. When Pepin in Ottawa made his announcement that he was going to do away with 20 per cent of all of the

lines that are the responsibility of Via Rail, there were areas in northern Ontario that were profoundly and adversely affected by this decision.

The member for Cochrane North (Mr. Piché)—well, he is not here now; but I know the minister made several trips around the north, in the communities that were going to be much more adversely affected than those I heard the Minister of Transportation and Communications talking about here the other day, about the Peterborough-Havelock run.

No one likes to see something that has been traditional, something that has been relied on over the years, terminate and go down the drain. The cancellation of the Supercontinental from Capreol through to Winnipeg will have a very profound and traumatic effect on communities that rely on that type of service exclusively, not only for getting in and out of those communities but also for services, whether they be normal or emergency services.

There are no road systems, and I wrote a letter to Jean-Luc Pepin, with a copy to his colleague Mr. de Bané, the minister responsible for the Department of Regional and Economic Expansion. I sent copies of it to the minister, to the minister's colleagues the Provincial Secretary for Resources Development (Mr. Ramsay), the Minister of Industry and Tourism (Mr. Grossman), the Minister of Transportation and Communications (Mr. Snow), and the Minister of Natural Resources (Mr. Pope).

The only response I got from that was at least three months ago, and it was from an executive assistant or someone in Pepin's office saying that this would be brought to the attention of the minister and in due course I would receive a response.

In conversation with somebody in northern Ontario today—I do not know how accurate this is, and I hope that Art and Dennis will get the papers going there and get some information from underneath the gallery. In my letter to Pepin I said: "You have a responsibility to those people in the north to put something back in return because you are taking away the only service they have. It is not as though they had airstrips, it is not as though they had a highway or a turkey trail. They do not have any of those things."

Mr. Mancini: What are you doing up there, Leo?

Mr. Stokes: My idea was that if the minister built a parallel road from Nakina through Kimberly-Clark limits over into Abitibi limits,

the north end of Abitibi limits, Domtar limits, Great Lakes Forest Products limits, it would span that area from Nakina right over to Savant Lake where people could hook up with the Marchington Lake Road and go over into Sioux Lookout and down into Dryden or Winnipeg or Kenora, or wherever they wanted to go. If they wanted to come the other way, they would get down into Nakina, Longlac and Geraldton and down onto Highway 11 or Highway 17.

Need I remind the minister that the way in which the Trans-Canada Highway was built many years ago was really an undertaking of the federal government to give all the nine provinces at that time some assistance. It resulted in the Trans-Canada Highway, both 11 and 17.

I thought it was a very reasonable proposition that I say to Pepin, "All right. As the Minister of Transport, you have taken that away from those people; now put something back." The reason for trying to involve this government is because it has got a pretty healthy chunk of money in its budget for road maintenance, road construction and upgrading and standardizing those areas that, for whatever reason, have been neglected for many years.

Mr. McLean: You have never had it so good in the north, Jack.

Mr. Stokes: Just come on up.

Under the Department of Regional Economic Expansion Ontario subagreements the ministry also has money it has allocated to Kimberly-Clark and a variety of other players in the forest industry. The ministry is spending that money now, and we have roads running north and south in all of the limits, but nothing connecting, something that actually serves people for a change.

My idea was to serve the needs of these people who have had this service taken away from them and serve the needs of industry as well as opening up a lot of new options for tourism with another circle route in that area of the province. It is inaccessible now even by rail, as a result of them cutting off those services, except for maybe a couple of days a week or something like that, with a rail diesel car.

I am told that Great Lakes Forest Products finds that an interesting proposition which would open up the two westerly communities of Allan Water Bridge and Collins, and you could continue it right over to Armstrong and then through, assisting Mud River, Ferland and Odin.

10:10 p.m.

We are spending the money anyway. If you took a satellite photo of all those access roads we are building to provide greater forest access, if you took a picture of all those clearings, everything is running parallel north and south. None of them, with the exception of Armstrong, is being served as a result of all this taxpayers' money we are spending. If you co-ordinated the efforts of your ministry, which is now responsible for setting the priorities for roadbuilding in northern Ontario, with those four or five prime licenceholders in that area, I am sure you could come up with a plan to build a road that would open up whole new vistas for the tourist industry. You would be serving the needs of the people who have been left stranded as a result of the indifference of the federal government.

I am told there is a fellow by the name of Bill Parks in your ministry right now, who is talking to Great Lakes about the possibility of looking into some Department of Regional Economic Expansion funding for the communities of Allan Water and Collins. They did not talk about the other communities. We could serve the needs of the people while serving the needs of the major players in the forest industry and opening up whole new opportunities for tourism in that part of the province. What do you think of it?

Hon. Mr. Bernier: In response to the first part of the member's inquiry concerning diversification of industries throughout northern Ontario, I would like to put on the record a sampling of some of the projects and programs we have under way just to give you an idea of what we are doing and trying to do. An example is the development of the Manitou road corridor. That is the corridor between Dryden and Fort Frances where we are looking at a major corridor development rather than development of a helter-skelter, honkytonk, gasoline alley kind of thing along that road.

We have the assistance of the Amethyst country group in promoting Amethyst. We funded a new brochure for that group and brought them together as an organization. Until about a year ago they were all competing and would not talk to one another. We have brought them together along with a promotion package we think will help them.

Mr. Stokes: The Amethyst thing won't work until you've got access into the mines.

Hon. Mr. Bernier: We are working on that too. We are going to assist the Purple Gems mine. We have already.

The development of the industrial mall at

Atikokan by the Ministry of Northern Affairs is to help diversify the economic base of Atikokan. The servicing of the industrial land at Atikokan is a further step in trying to diversify the economic base. The funding of the economic development committee over a three-year period was designed to assist in diversifying their economic base.

We have provided assistance to the Manitoulin economic development association in the Algoma area. I am sure the member for Algoma is well aware of what they are trying to do on Manitoulin Island. Basically the northern rural development subsidiary agreement is designed to assist the entrepreneur in rural northern Ontario. The five major communities are excluded. In other words, if you are from Thunder Bay, Sudbury, Sault Ste. Marie, Timmins or North Bay you are excluded from that agreement. But if you are an entrepreneur in the rural area and have an idea or a program with which you would like some assistance, then NORDA is the place to go for that.

We gave \$600,000 to the Sudbury 2001 conference over a three-year period, \$300,000 in the first year, then \$200,000, then \$100,000, to assist them in trying to find ways to diversify their economic base in the great city of Sudbury. Studies were prepared for production and marketing of medicinal herbs in northern Ontario. There are studies and programs with regard to wild rice in co-operation with Lakehead University, where we are funding a \$100,000 study on wild rice in northwestern Ontario.

Mr. Stokes: You're spending all your money on consultants.

Hon. Mr. Bernier: No not really. The other ones are the Raymore greenhouse operation, which is trying to diversify the base in that area, and the Kayahna energy source which is trying to assist those people in finding a new source of energy in the Big Trout Lake area. Our research study at the Lakehead University with regard to wood waste is a very attractive and accepted study going on now, on how to use the 25 to 50 per cent of the wood waste that is left on the forest floor after the forest industry goes through. We also assisted in the manufacture of a new humane trap.

Mr. Stokes: That's all been done over in the Hearst area. Why are you duplicating it?

Hon. Mr. Bernier: No, it has not been done.

That is a different thing altogether. They are using the wood waste for the development of pellets.

Mr. Stokes: They are doing both—pellets and gasification.

Hon. Mr. Bernier: Not gasification as yet. But Lakehead University is not only looking at the utilization of wood waste but designing harvesting equipment to harvest that waste and how to use that waste in home heating. It is a very exciting. There is a broad range of programs we have in trying to diversify the economic base of northern Ontario. There is much more we will do, and more we are engaged in.

The member's idea of a connecting road is somewhat intriguing. There is no question; it is. We have talked about it on a number of occasions. I have even seen some lines on a map, if memory serves me correctly, showing where this area could be connected across the northern part of the Canadian National Railway and possibly going into Hornepayne and connecting with that road.

There is pressure to move along and connect Red Lake to the Manitoba border, much further north than what the member is referring to, but it is the same idea—having another access road across northwestern Ontario.

Mr. Stokes: It sure beats that road that goes away up around Round Lake. That really goes nowhere.

Mr. Piché: I was just going to say that's a road to nowhere.

Hon. Mr. Bernier: But that is one our native people are becoming more active in.

Mr. Stokes: You know what Round Lake told you: "Keep it away from here." They don't want the all-weather road.

Hon. Mr. Bernier: But now they want it changed. This year they are calling for proposals for that winter road to be developed on land in the hope they will have an all-weather road sometime. They say: "Why waste the money in putting that road on Round Lake. Put it on land. It is safer, and we will have it for a longer period of time each year." This year, we are calling for proposals not only for a winter road from Windigo to Round Lake, but the proposal will ask that the road be built on land as much as possible instead of water. The interest is there.

On that point, the experiment at the northern part of Windigo Lake with regard to the fishery program had a very successful year. We put in \$100,000 to \$200,000 to extend the road to that facility which the Freshwater Fish Marketing

Corporation from Manitoba developed in co-operation with the business initiative and the business people of the Round Lake area. It stands as an example of what can be done outside of the band council. It was done by the entrepreneurs of Round Lake and the very aggressive fishermen there. I diverted for a minute to point that out.

I would be interested and I may even ask my northern Ontario resources transportation committee to have a look at that suggestion. The member is quite right in saying we are looking at ways of providing access to Allan Water and Collins, the two we are looking at now. It will be south of Armstrong. We are looking at the connection of bush roads that will come up there. We have had some correspondence from one or two people in the Allan Water area. I met the people in charge of the operation. Is it Hector King, in Armstrong?

Mr. Stokes: Yes, he's in Armstrong, but you've had correspondence through me from the Bellmores and the Andersons, and you're getting some from the Patience Brothers in Collins.

Hon. Mr. Bernier: That is right. Yes. I would be glad to have our committee look at that possibility of connecting those roads. The roads we are building under the forestry agreement with the department of regional economic expansion are to open up those overmature stands. Up to this time the paper companies have been a little reluctant to get into it because of the high cost. We have to get into those overmature stands, get them cut, and get new plantations in place. Not only will this allow them to do that, it will help us in the reforestation and regeneration programs in those areas.

10:20 p.m.

Mr. Stokes: But they don't serve the people.

Mr. T. P. Reid: Mr. Chairman, it is interesting the minister—unless I missed it, which I do not think I did—left out what I consider to be one of the areas that has the greatest potential in both northeastern and northwestern Ontario, and that is in agriculture. Presumably, we have to look to this ministry for direction in the development of this industry as well.

The way we are gobbling up the farmland down here in southern Ontario, it is going to make it even more important for a larger economic base in northern Ontario. I wonder what input your ministry has in this regard. What programs or direction are you providing,

and what under this vote, in terms of funds, are you putting into the agricultural community of northern Ontario?

Hon. Mr. Bernier: Mr. Chairman, this year, in this vote, we will ask the Minister of Agriculture and Food to administer \$600,000 on our behalf. It will be to encourage agricultural development, enhance the farming business and to assist in the primary production of food in northern Ontario.

Out of that will be \$150,000 for tile drainage loans in the unorganized territories of northern Ontario and for medicinal herbs in the New Liskeard area. We are working very closely with the New Liskeard College of Agricultural Technology to study and determine the feasibility of the production of medicinal herbs in northern Ontario.

As you know, we have a study going on now which will hopefully be completed this year that relates to the ways and means of substituting imported fresh vegetables into northern Ontario. In other words, there are many areas in northern Ontario, as we well know, that can support and produce much of our fresh vegetables. This committee is made up of a very broad group of people, not only within ministries, but outside the government, to look at ways and means, and to advise the Ministry of Agriculture and Food and the Ministry of Northern Affairs as to how this can be accomplished.

We are assisting with the Timiskaming pasture project, and I might say that was a very interesting project for the New Liskeard College of Agricultural Technology. They are using specific areas within a pasture and providing a different level of fertilizer to the grass and to the feed, thereby maintaining cattle in those areas and monitoring their increased weight and productivity. It is very interesting.

I think that is about it for agriculture. I had the figures for a lot of grants that were given.

Mr. T. P. Reid: I come back to my earlier criticism. While we have all sat here going over these estimates, it just keeps coming back to me how diverse everything is, and how there are layers upon layers of ministries. Money is being taken from one department, and put into another ministry, where you are giving direction, and they are giving direction, and where money is coming from here, and money is coming from there. Nobody really understands what the hell is going on.

I just wonder how much of all this is paper shuffling back and forth, and groups of civil

servants from various ministries meeting back and forth to discuss these major affairs that are going on. It really boggles the mind.

If the minister goes through his own briefing book, it talks about money from the Board of Industrial Leadership and Development, from the Department of Regional Economic Expansion, from the Ministry of Agriculture and Food and from the Ministry of Industry and Tourism. It is just shifting it back and forth.

I use the analogy which my friend the member for Lake Nipigon did not entirely agree with. I think if he looks at the description on pages 31 to 35 of the minister's briefing book, it really is the old shell game. Where is the money? Under what shell is the money? Who does it come from? Under what shell is the program and who really is responsible?

I will not say it like my friend the member for Grey-Bruce (Mr. Sargent), because I do not think there is anything crooked about it, but it is like a magician; it is all done with mirrors and lights. What do we see as a result? How many jobs are being created?

Let me ask the minister a question. Among all these intelligent and experienced people—nobody has more experience than Andy Morpurgo, and we will not get into that—as competent and great as they be, is there anybody who is keeping track of the number of jobs actually created by all this?

How are we measuring? If the minister were in the standing committee on public accounts, I would say: "All right, where are the instruments of measurement? How are you monitoring all these programs if you or anybody else knows what the devil they are all about? Where is the proof of the pudding? Give us some statistics that say: 'We have created X jobs,' or, 'This has led to X jobs. This has led to stability, diversification, a broader base in the agricultural community, and spinoffs of industry,' that you had something to do with."

To hear the minister in his estimates and in his public pronouncements, on a lot of the things he talks about—Detour Lake, for example—one would think the Ministry of Northern Affairs had put the gold there in the first place, that they had planned the great glacier some billions of years ago and it was now just coming to fruition because it was all part of this grand scheme of northern development. I do not believe it, and I do not think anybody else does.

In the closing moments, I ask how he is monitoring all these programs. What systems are in place to tell him, with all this money we

are spending—and I know I am in that box of saying, “Are you doing anything? But give me more money for my riding and the next riding and whatever”—how we know we are really accomplishing anything with this money? How do we know we have our priorities right? How do we know we can do what we all are concerned about so that the minister’s children, the children of the member for Lake Nipigon, my brother’s children, my children can—

Hon. Mr. Bernier: Stay in northern Ontario.

Mr. T. P. Reid: Some of my children are still there. We won’t go into that. Strike that. How do we know what we are accomplishing? I leave that with the minister.

Another question is the study on wild rice.

Mr. Robinson: Sounds more like wild oats.

Mr. T. P. Reid: If everybody had sown as I did, we would not have this agricultural problem.

The minister talked about wild rice, about a \$100,000 study under Peter Lee, I believe it is, at Lakehead University. Let me ask one question about that. Is the government going to extend the ban on wild rice licences to the white community after 1983? Are they going to do that?

What else has he done in line with the commitment he made to the Indian people following the Hartt commission, whose only

real recommendation, after spending \$3.5 million, was a moratorium on wild rice? What has he done other than fund the study? What has he done in terms of the marketing, which is most important to the Indian people? What has he done to ensure that they have been given the resources and made accountable for them to develop wild rice so there is at least one industry that can be indigenous to them and that they claim is indigenous to them?

What ever happened to the tripartite working group, which was working on, among other things, wild rice, lands and resources, services to status Indians, hunting and fishing—all these great things? Like the Royal Commission on the Northern Environment, they were supposed to report in 1979 in terms of the statement the Premier (Mr. Davis) made in May 1978, and we have not had a report or anything from them on wild rice or any other matter since then. What is the government going to do about the wild rice situation?

Mr. Stokes: Very complex.

Hon. Mr. Bernier: It will take me about five or 10 minutes to respond on this point, Mr. Chairman, but it is 10:30 p.m.

On motion by Hon. Mr. Bernier, the committee of supply reported a certain resolution.

The House adjourned at 10:31 p.m.

CONTENTS

Monday, November 16, 1981

Estimates, Ministry of Northern Affairs, Mr. Bernier, adjourned. 3553
Adjournment. 3579

SPEAKERS IN THIS ISSUE

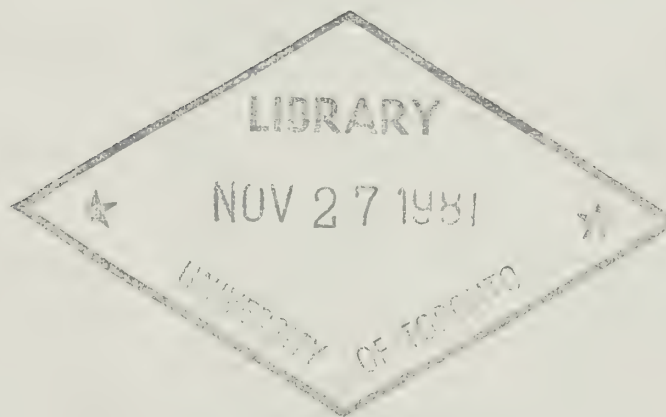
- Bernier, Hon. L.; Minister of Northern Affairs (Kenora PC)
- Cousens, D.; Deputy Chairman (York Centre PC)
- Cureatz, S. L.; Chairman (Durham East PC)
- Mancini, R. (Essex South L)
- Martel, E. W. (Sudbury East NDP)
- Nixon, R. F. (Brant-Oxford-Norfolk L)
- Piché, R. L. (Cochrane North PC)
- Reid, T. P. (Rainy River L-Lab.)
- Robinson, A. M. (Scarborough-Ellesmere PC)
- Stokes, J. E. (Lake Nipigon NDP)
- Wildman, B. (Algoma NDP)



No. 100

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament
Tuesday, November 17, 1981
Afternoon Sitting

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Tuesday, November 17, 1981

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

MUNICIPAL ELECTIONS AMENDMENT ACT

Hon. Mr. Bennett: Mr. Speaker, after many years of discussion and thought, I will be introducing for first reading today an Act to amend the Municipal Elections Act.

The purpose of the act is to change the term of office of municipal councillors and elected local boards to three years from the current two. The members of municipal councils and local boards elected in 1982 and thereafter will hold office for three-year terms.

This change has the support of the Association of Municipalities of Ontario, the Ontario School Trustees Council and the Ontario Municipal Electrical Association.

Mr. Nixon: But not the Minister of Inter-governmental Affairs (Mr. Wells).

Hon. Mr. Bennett: It has unanimous consent over here.

Mr. Speaker: Order.

Hon. Mr. Bennett: My view is that the three-year term of office will encourage municipalities to engage in more long-term planning. Given the long time lag involved in policy making in many areas, such as industrial development and capital projects, municipal politicians find it difficult to engage in long-term planning because of the two-year term of office. Citizens often do not have an adequate time period in which to judge the success or failure of policy initiatives.

The common assertion that municipal politicians and not electors will be the main beneficiaries of the three-year term of office is, in my view, incorrect. As I noted in my speech to the Association of Municipalities of Ontario recently, I expect municipalities to act more responsibly in exchange for the greater authority I would like to see them exercise in the future. A three-year term should strengthen the position of elected representatives vis-a-vis civic servants, appointed local boards and private sector interests.

I believe municipal electors will be well

served by the three-year term. I have great faith in our municipal politicians and I expect that they will, by their actions, quickly convince the public that my trust in them is well founded.

ELGIN-WINTER GARDEN THEATRE

Hon. Mr. Baetz: Mr. Speaker, it gives me a great deal of pleasure to inform this House that I have just concluded an arrangement with the private sector that I believe marks a turning point in the development of live theatre in our province and country.

Mr. Speaker: Order. The Leader of the Opposition on a point of order.

Mr. Smith: Mr. Speaker, I would like to follow the statement being made by the honourable minister. I do not seem to have a copy of it, though. I would appreciate receiving one.

Hon. Mr. Baetz: The arrangement of which I speak involves the resurrection of the historic Elgin-Winter Garden theatre complex in Toronto as a showcase for the best in Canadian-produced theatre. It also involves the restoration of a magical heritage property and the generation of significant economic benefits.

As many honourable members know, the Elgin-Winter Garden complex is an important and celebrated part of Ontario's rich cultural heritage. Originally known as the Loew's Theatre, it opened in 1913 as a twin-theatre vaudeville house and operated successfully for several years. With the advent of film soundtracks and the decline of vaudeville, the lower theatre was converted to show "talkies" and in 1927 the upper theatre, the Winter Garden, was closed.

In the fall of 1979, the Ministry of Culture and Recreation became involved in efforts to revitalize the complex as a centre for live performances. Negotiations involving many parties have taken place since that time. The city of Toronto, its planning office and particularly the mayor of Toronto, have played and continue to play a major role in this undertaking, and I wish to acknowledge their support in the warmest terms.

As I mentioned earlier, the acquisition, restoration and renovation of the Elgin-Winter Garden complex has important cultural, historical

and economic implications. First, it adds two mid-sized theatres, one of 900 seats and another of 1,600 seats, to the inventory of performing arts venues in Toronto, and additional mid-sized houses are important to the theatre mix in this city.

The new complex will function as a transfer house to present commercially successful productions from small theatres everywhere in Ontario. It will provide a badly needed additional facility for the production of large-scale plays and musicals, which have potential for long runs and commercial viability. It will offer a space to touring productions that currently bypass Toronto because of an insufficient number of appropriate-sized facilities. It is not inconceivable that the Winter Garden could become a winter showcase for Stratford and Shaw Festival productions. Honourable members will be particularly interested to know that in consideration of the public funding involved with the project, the operator will present a certain minimum of Canadian content each year, including productions mounted by Canadian companies and plays written by Canadian playwrights.

There are very few old theatres still standing in Canada that provide a link for today's public with the vitality of our past. The Winter Garden is such a theatre. Theatres of the Elgin-Winter Garden's dimension and character will never be built again. Throughout the United States and Canada, a tremendous move is afoot to save these magnificent structures from the wrecker's ball. So, from both an historical and architectural viewpoint, the facility is unique and irreplaceable.

The final group of benefits of this project has to do with economics. It is estimated that the operation of these theatres will pump more than \$30 million a year into the Toronto economy through the sale of admissions and through related sales of such things as food, accommodation and transportation. These expenditures would be made by both residents and tourists attracted to the kind of theatrical presentations provided in the two theatres. It is evident that the stimulation of the theatre industry will further enhance Toronto's attractiveness to tourists as a major theatrical centre.

The people of Ontario, through the provincial government, have provided considerable support to the performing arts in this province. Last May, Toronto hosted a mammoth theatre festival which drew significant worldwide attention. With the addition of the Elgin-Winter

Garden complex, Toronto will help consolidate its position as a major international English-language theatre centre, in league with New York and London.

As I mentioned earlier, the Elgin-Winter Garden project is being undertaken in co-operation with the private sector. My ministry entertained proposals from three private sector groups interested in the restoration and operation of the two theatres. The combined proposal of Tiberius Productions Incorporated, Cineplex Corporation and WBC Productions Limited has been accepted. The total cost of the project will be approximately \$13 million.

The Ontario Heritage Foundation, an important agency of my ministry, will purchase the property from Famous Players for \$4.5 million. The property will then be renovated and restored at a cost of approximately \$8.5 million and rented to the Tiberius group for 40 years at \$1 per year. Commercial and residential density rights to the property will be sold to private sector property developers, and this sale will reduce the government's obligation to a maximum of \$3 million and minimum of \$1.5 million.

Honourable members will be interested to know that it has been estimated that a 2,500-seat theatre facility in downtown Toronto would cost approximately \$35 million to build new. Therefore, this agreement is clearly an advantageous one for the people of Ontario.

For many years people have dreamed of restoring the abandoned Winter Garden theatre to its former glory. I am pleased today to announce that we are now ready to proceed with bringing back to life this important and priceless part of our urban heritage.

2:10 p.m.

ORAL QUESTIONS

McMICHAEL CANADIAN COLLECTION

Mr. Smith: Mr. Speaker, I wish to ask a question of the Minister of Culture and Recreation (Mr. Baetz) regarding the McMichael Canadian collection. In particular, I want to ask him to set the record straight as a result of some of his statements in the House yesterday.

First, with regard to his denial that he had asked Mr. Robert McMichael, the founder of the collection, to resign from his position as executive director of the gallery, I draw the minister's attention to the story in the press today in which Mr. McMichael is quoted as having said of the minister: "He's a liar. His exact words were, 'Will you step aside from your directorship?'"

The report continues: "McMichael said he reluctantly agreed to do so only after Allan Taylor, chairman of the gallery board, also asked for a letter of resignation, explaining Baetz had made repeated calls asking for the resignation letter."

There was also a report back in February 1981, an article in the *Star* by a Mr. Littman, which said: "After receiving a certain report, Baetz decided"—and this is a quotation attributed to Mr. Baetz—"the time had come to bring in a new executive officer and move Bob and Signe aside."

Given that Mr. McMichael remembers clearly having been asked for his resignation and even calls the minister a liar, which is very strong language indeed, and given that the minister himself is quoted in the paper in February as having decided to move Mr. McMichael aside, will the minister explain why he stood in this House to continually deny having recommended the resignation of Mr. McMichael?

Hon. Mr. Baetz: First of all, Mr. Speaker, let me say for the record that I am not a liar. My father, a clergyman, taught me to tell the truth, and I think I have gone through life telling the truth. So I am not a liar. I repeat that for the Leader of the Opposition and for anyone else who is interested.

As I also indicated yesterday, I do not intend to become engaged in a long, drawn-out debate in question period on what I said or was reported to have said or on any phone calls I might have made or anything else. However, when we begin debate at the time we introduce the legislation, I will produce the information that I think will make the record clear once and for all.

In the meantime, I hope that not only members opposite and members in my caucus but also everyone in this House and outside the House will not pass judgement on what I have said or on what the government's intentions are or on what Mr. McMichael's position is. I urge everyone to withhold judgement until they have all the facts. All the facts will be presented clearly and compellingly when we introduce the legislation, as we will very shortly. We have nothing to hide on this side of the House, and that is all I am going to tell the member at this time. He must wait.

Mr. Smith: Since the question seems to be fairly straightforward and seems to be simply that the minister says he did not ask Mr. McMichael to resign and Mr. McMichael says the minister is a liar, that he did ask him to

resign, surely the minister would like to explain to the House why we must wait some weeks before he will set the record straight on such a straightforward and clear contradiction, especially in view of the fact that the minister himself was quoted in February as having spoken of moving Mr. McMichael aside.

May I ask the minister further: When he decides to set the record straight, will he explain his assurance to this House that there is no desire to renege in any way on the agreement signed with the McMichaels by Premier Robarts? How can the minister say there is no desire to renege on the agreement when the draft bill says this agreement shall be rendered retroactively null, void and of no effect? How can one renege any more than that on any agreement?

Will the minister explain what is the meaning of that clause in the draft bill if not to get rid of the agreement?

Hon. Mr. Baetz: This is neither the time nor the place to talk about a draft bill. The time to debate the bill is when I introduce it in the House. Then members will have all kinds of opportunity to debate the bill. Why try to do it now? Why try to inflame a situation right now? Playing politics: that is all the members opposite are doing.

In fairness to Mr. and Mrs. McMichael, I think the Leader of the Opposition had better hold off any further innuendoes and accusations until I introduce the legislation.

Mr. Renwick: Mr. Speaker, by way of an aside, perhaps it would have been easier for all of us to refrain from comment if the minister had refrained from comment. If he had not made the statement he did in February, we would not be asking the questions now.

In the debate we are going to have, will the minister give his undertaking to this House now that when the bill is introduced and read the second time it will be put out to the standing committee on social development? In that way we would have an opportunity to explore the whole of the background of this matter, including the innuendoes and allegations made about Mr. McMichael.

Hon. Mr. Baetz: Mr. Speaker, I am not prepared at this moment to make any promises like that.

Mr. Smith: Does the minister not recognize the seriousness of a matter that involves a man who would appear to be one of the great benefactors in the history of Canadian culture and certainly is one of the great benefactors in the history of Ontario?

If the minister asked for that man's resignation based on a number of unsubstantiated and unproven accusations about him, if he panicked when he heard those reports and asked for his resignation, does he not recognize it is the minister's resignation that would be appropriate in those circumstances? Has he not recognized the seriousness of this matter? Why will he not set the record straight right here and now?

Hon. Mr. Baetz: I will, in due course, at the time we debate the bill; that is the appropriate time to set the record straight. I can assure the Leader of the Opposition we will do so and there will be no doubt about the impropriety of anything. I simply ask the Leader of the Opposition to wait. Legislation will be introduced soon.

Mr. Smith: Outrageous! The minister has been called a liar in the paper today, and he will not respond to that? It is outrageous.

Mr. Speaker: New question.

Mr. Breithaupt: You are letting it fester, and that is very serious.

Mr. Smith: That is not fair to anybody.

Mr. Roy: How can you let that situation fester, Reuben? Give us an explanation now.

Mr. T. P. Reid: You are under a cloud and McMichael is under a cloud.

Mr. Speaker: Order. The Leader of the Opposition with a new question.

NIAGARA RIVER POLLUTION

Mr. Smith: Mr. Speaker, I will direct a question to my friend the Minister of the Environment. The minister—

Mr. Roy: Why won't he answer our questions?

Mr. Speaker: Will the member for Ottawa East please let his leader pose his question?

Mr. Smith: The Minister of the Environment has made some statements as a result of the release of the environmental baseline report on the Niagara River. The minister is quoted as saying: "As I have stated in the past, treated water supplies serving Niagara-On-The-Lake, Niagara Falls and Fort Erie meet federal and provincial criteria for drinking water." The article is headlined: "Our Water is Safe to Drink, says Norton."

I wonder how the minister can say a thing like that when the report itself, on page 26, says:

"No drinking water objectives have as yet been established by Health and Welfare Canada or Environment Ontario for a number of organ-

ics detected in some raw and some treated water samples drawn from the Niagara River and at St. Catharines at part per trillion or part per billion levels during 1979 and 1980."

It goes on to say that although the significance of the concentration has been looked at by certain experts, some of the compounds are even above the United States Environmental Protection Agency recommended levels.

Why assure us the drinking water meets our standards and criteria when the report itself says that for many of the substances found in that water there are no standards or criteria?

2:20 p.m.

Hon. Mr. Norton: Mr. Speaker, perhaps I ought to begin by congratulating the honourable leader of the operation—that is, Leader of the Opposition—for the generosity of spirit he showed at least in the preamble to his question.

Interjections.

Hon. Mr. Norton: It is his medical background. I am not sure what kind of operation he used to perform.

What the Leader of the Opposition cites in this report is by no means new information. Nor have I ever indicated there were criteria for any and all substances. As a matter of fact, it has been a matter of some action on my part in terms of communicating with my counterparts in other jurisdictions.

I think the fact that some substances are present in trace amounts and that heretofore no medical criteria have been established probably requires action of an international magnitude in terms of research to establish such criteria. It will involve a major effort to do so.

However, on the basis of the best medical advice available to me, to the Leader of the Opposition or, I believe, to anyone else, the statement I made is correct. I stand by that. It is true that there are no criteria for some of the materials found in trace amounts. If the Leader of the Opposition consults knowledgeable medical people in this field, I am confident they would advise him as I have been advised, that in those minute amounts they feel confident in making the assumption it does not constitute a present hazard.

Like the Leader of the Opposition, I would feel more comfortable if medical knowledge were more advanced. In some cases, our capacity to detect these compounds has outstripped the capacity of the medical community to do the research.

Mr. Smith: Accepting that in many cases the minister is correct and that with some of these compounds one does not yet know the significance, will the minister at least not agree that he ought not to be giving assurances when neither he nor I can speak of any limits that have been set?

In particular, does the minister not know that the United States Environmental Protection Agency has certain criteria under consideration for treated water. It is pointed out in this study that the concentrations found in Niagara for bromodichloromethane from methylene chloride and polychlorinated biphenyls exceed those suggested criteria.

Some criteria have already been exceeded. Specifically, the minister knows there is a list of priority substances that is set by the federal government. Is he aware that in this report it is pointed out that, in untreated water, 11 of those substances have increased in concentration from 1979 to 1980 and, in treated drinking water, 12 of those substances have increased from 1979 to 1980?

Will the minister not agree that this is a serious trend and one that requires more than bland reassurance on the part of the minister?

Hon. Mr. Norton: The Leader of the Opposition is again being selective in what he is choosing to recall or select from my comments of yesterday. To the best of my recollection, one quotation he has selected is accurate; it relates to the Canadian standards that have been established for Canada by the Department of National Health and Welfare.

I stand by what I said in that regard. I do not know if it is the same article from which he is quoting, but certainly there were some reporters who quoted my remarks reasonably accurately, indicating I am concerned about the trend and the longer-term impact of the levels of loading of contaminants in the Niagara River and the Great Lakes.

I have indicated, both here and in conversation with the persons who have written those articles in the past, that I see the forthcoming meetings with Governor Carey and Commissioner Robert F. Flacke as a first hopeful sign. But I do not see that as the end result.

If there is not some indication of a genuine commitment to concerted action to address this problem, then I have indicated as well that this jurisdiction will be taking other avenues of action which may be open to it. In fact, this week we will present that report to the committee of the International Joint Commission and

press the IJC to lend its substantial weight to the efforts that we are making to try to encourage our neighbouring jurisdiction to address this problem as seriously as we have.

Mr. Kerrio: Mr. Speaker, does adequate proof not exist when commercial fishing no longer exists in the lower Niagara River, when fish turn up there showing high concentrations of the kind of toxics that concern us, when the SCA pipeline has diffusion nozzles to dilute what they are putting in there, and when we have movement leaching from many of the dump sites?

What proof does the minister have to have before he does something meaningful to protect the citizens of the area? Is he going to wait until the citizens are affected? Does he not think we have ample proof?

Hon. Mr. Norton: I am not sure of the import of that question, Mr. Speaker. Furthermore, if the honourable member reads back his preamble to that question at some point, he will find he stated in rapid succession a number of things, some of which are quite accurate and all of which have long since been public information, that I myself in many instances made public in this Legislature and elsewhere.

Mr. Kerrio: It seems to escape you.

Hon. Mr. Norton: No, it does not escape me at all. I think the member's question was whether I think there is an indication that there is enough information for action. I do, and that is precisely what I have been doing and will continue to do.

Mr. Foulds: Mr. Speaker, can the minister tell us precisely—

Mr. Mancini: Mr. Speaker, on a point of order: The New Democratic Party has missed its turn in the normal course of the rotation. That is not the way you have been allowing members to ask questions in the past, Mr. Speaker.

Mr. Speaker: In the normal rotation, each party gets equal time and equal questions. The third party did not stand up then, but they stood up at this point. That is not a point of order.

Mr. Mancini: On the same point of order, sir—

Mr. Speaker: The member for Port Arthur has the floor for a supplementary.

Mr. Foulds: Thank you. Mr. Speaker—

Mr. Mancini: You are not going to hear my point of order; is that it? Mr. Speaker, on the same point of order—

Mr. Speaker: Order.

Mr. Foulds: Mr. Speaker, can the minister inform the House in concrete terms what proposals he and the Premier (Mr. Davis) are putting to Governor Carey when they meet? Can the minister tell us whether he has asked the Attorney General (Mr. McMurtry) to investigate the possibility of laying charges under the International Boundary Waters Treaty Act of 1909?

Hon. Mr. Norton: Mr. Speaker, the answer to the first part of that question is no, not at this time. Even the member will understand that if one is in preparation for such a meeting and hopes to achieve success through such a meeting, it is folly to discuss one's strategy and specific proposals in advance. I will certainly share that with the member at the appropriate time, but I am not going to jeopardize the possibility of success in those meetings by responding in detail to his question now.

In answer to the second part of the member's question, I have sought advice from the Attorney General if the member includes, along with the Attorney General, the law officers of the crown. I assume he meant it in the broader sense of seeking legal advice from law officers of the crown. I have sought advice from them on that and a whole range of possible options that I have under consideration.

2:30 p.m.

CANADIAN ADMIRAL

Mr. Cassidy: Mr. Speaker, I have a new question for the Minister of Labour (Mr. Elgie) about the need to protect the workers at Admiral. It has been almost two weeks now since the shutdown of their plant and the workers still have no indication of whether they will get severance pay or if they will get pay in lieu of notice. In many cases they have yet to meet with the Unemployment Insurance Commission.

Is the Minister of Labour aware that, according to the terms of the Employment Standards Act, Admiral may not be required to give pay in lieu of notice to the workers who were thrown out of their jobs two weeks ago in cases where a contract of employment had become impossible of performance or frustrated by a fortuitous or unforeseeable event or circumstance; that is, specifically, in a case where the banks and bondholders took over control of the company, as occurred two weeks ago?

Will the minister enact legislation that will reverse this state of affairs to ensure that

workers are not deprived of pay in lieu of notice because banks move in on a company that is failing?

Hon. Mr. Elgie: Mr. Speaker, I agree with the honourable member that this is a very complex issue that has faced the federal and provincial governments for some time. The member knows very well that the banks and the Caisse de Dépôt have moved in on Canadian Admiral, in one case under the Bank Act and in the other case under the debenture they hold on the fixed assets. Should the company become dissolved totally, then what is left over after those securities are met would be distributed to meet the other obligations, some of which we have already placed a claim for.

As I told the House yesterday, our employment standards officers have determined that approximately \$490,000 is owing in vacation pay, and a claim has been registered with the agent and with the receiver. We are continuing to determine what amounts are owing with regard to severance pay, benefits and termination pay.

The real issue we are talking about is the one the member for Riverdale (Mr. Renwick) raised yesterday and on other occasions, namely, is there some way to better protect wages in the broad sense? I have repeatedly said that the Landry commission in Ottawa, a tripartite commission looking at this, was expected to report. It reported today, and we are in the process of reviewing the material they have presented.

As the member knows, that commission proposed to the minister that there should be an interim solution through amendment to the Bankruptcy Act and then a longer-term solution with regard to a wage protection fund, following negotiations and discussions between the federal government and the province. I am anxious to hear the response of the federal government to that. We are prepared to enter into those discussions.

Mr. Cassidy: Since the problem we are talking about today is a different one from that of a couple of days ago and relates specifically to provincial legislation, the Employment Standards Act, and since the Employment Standards Act contains a loophole that allows the banks to slip in ahead of the workers and leave the workers with no claim to getting pay in lieu of notice, my question is: Will the minister enact legislation that will be sufficiently retroactive to protect the Admiral workers in this case, or does the Minister of Labour put the interests of the banks ahead of the workers?

Hon. Mr. Elgie: I do not think this is an occasion for grandstanding; it is an occasion to deal with the problems. As I pointed out to the member for Riverdale yesterday, what we face are problems that are intertwined; insolvency and bankruptcy. If we want to step in and do some things that will force creditors to petition bankruptcy, so be it; but then it comes under the Bankruptcy Act. I am sure the member does not want that.

What we all want is the best solution to protect the wages of workers. That is what we are prepared to work at.

Mr. Peterson: Mr. Speaker, there is another class of people who were severely damaged by this insolvency, the suppliers, a number of whom shipped merchandise in the last 10 days before the bankruptcy of this company. As a result, they have to lay off a number of workers, and they are in serious trouble. Is the minister looking into that question?

Is he conferring with his colleague the Minister of Consumer and Commercial Relations (Mr. Walker) about the securities legislation pertaining thereto so that we can never have a situation again in this province where a strip of the treasury results in the bankruptcy of a company.

Hon. Mr. Elgie: Mr. Speaker, I believe the member for London Centre (Mr. Peterson) put that question to the Minister of Consumer and Commercial Relations the other day and received an answer. I really have no comment. It is beyond the scope of this minister.

Mr. Renwick: Final supplementary, Mr. Speaker: Will the minister consult with the Attorney General (Mr. McMurtry) and ask for an investigation as to whether any of the directors or officers of Admiral were in default under the Employment Standards Act and whether charges should be laid?

Hon. Mr. Elgie: Mr. Speaker, I will be pleased to tell the Attorney General that question was asked of me in the House by the member for Riverdale (Mr. Renwick).

UNEMPLOYMENT

Mr. Cassidy: Mr. Speaker, I have a new question for the Treasurer (Mr. F. S. Miller) about the situation with unemployment in the province, and the need for action at this level of government. Is the minister aware that—if I can give Chatham as an example—a study done by the local Canada Employment Centre indicates that 24 per cent of the workers employed by the

key industries in that area are on indefinite layoff? That means 1,623 men and women are without jobs.

Is he aware Canadian Fram has 204 workers laid off and 469 still working; that Rockwell has 464 laid off and only 126 working; that Motor Wheel has 149 laid off and 321 working; and that International Harvester has 548 workers laid off and 761 working in the truck plant in Chatham? Given that situation, will the minister not agree it is time to have a mini-budget here in Ontario that will get those workers in Chatham and everywhere else across the province back to work—and back to work now?

Hon. F. S. Miller: Mr. Speaker, I think we have talked about this question of the automobile industry quite often. That area is heavily dependent on trucks as well as cars, and I believe the member will find there is a major slump in components in both areas. We took some steps two weeks ago this coming Thursday to try to assist at least the inventory of vehicles, assuming that would help some employment in Canada and some employment in Ontario. We went through a similar slump a few years ago and I can only hope we will see changes in the interest rates before too long that will encourage consumers to start buying the products manufactured in Ontario.

I have reason to believe there will be considerable drops in the interest rates very shortly. I have received some predictions today to tell me the figures I gave the House yesterday were probably too high. We could even see figures as low as 14 per cent in Ontario, rather than the 15 per cent I guessed at yesterday, within the next couple of months.

Mr. Cassidy: If Darcy McKeough were the Treasurer of Ontario today he would not leave the workers in Chatham in the situation they are under this Treasurer.

Mr. Speaker, as a supplementary, does the minister have any employment measures in mind at all, in view of the fact there are 319,000 workers out of work in the province today and 124,000 of those workers are between the ages of 15 and 24; or does he simply intend to leave that very large group of workers, and even larger proportion of young workers, to sit on the unemployment rolls through another winter, wondering when on earth they are going to get some leadership and some help from the government they helped to elect?

Hon. F. S. Miller: Again, Mr. Speaker, we believe we have done some things that are going

to improve fundamentally the medium- and long-term opportunities for employment in that industry. We have promised an auto parts technology centre and will be delivering it, as we deliver all of our promises, before long. This will, we believe, allow the parts manufacturers to remain competitive in Canada. That is a very important part of the total employment picture in that industry. The Board of Industrial Leadership and Development document outlined ways and means of improving employment.

Mr. Sweeney: Supplementary, Mr. Speaker: Budd Automotive in Kitchener announced layoffs of 826 workers yesterday, which will mean that company will go from a high of 3,058 workers to a low of 368 workers. Would the Treasurer be prepared to allocate some new funds, in co-ordination with his colleagues in Industry and Tourism, Labour and Colleges and Universities, to launch innovative retraining programs for many of those workers, who will not be able to go back to those kinds of industrial jobs.

2:40 p.m.

Hon. F. S. Miller: Again let me point out that the Ministry of Industry and Tourism, the Ministry of Colleges and Universities and The Ministry of Education have been working quite aggressively on retraining programs that I think are working well, and I think the member will agree they are.

Mr. Mancini: They have not been doing anything.

Mr. Nixon: That is why we are bringing in workers from Europe.

Mr. Smith: Give them a share of Suncor.

Mr. Speaker: Order.

Hon. F. S. Miller: Training in business and industry, employee-sponsored training, upgrading—that has all done quite well. My friend is talking about an industry—

Mr. Smith: They can learn to do other things.

Mr. Speaker: Order.

Hon. F. S. Miller: The product made by the corporation the member is talking about is auto body frames. Does the member not agree that is so? The story of the auto parts industry has been that as one component has changed, companies have adapted to making other things. That plant has the most efficient frame production in North America. Even so, the total amount of

production for vehicles with frames is diminishing very quickly because the technology is changing as we go to lighter parts.

Mr. Cooke: You do not know what you are talking about.

Hon. F.S. Miller: I do not?

Mr. Cooke: They lost the General Motors contract in the United States.

Mr. Speaker: Order, order.

Mr. Cassidy: Supplementary. I wish the Treasurer could have been with me in Port Credit at 8 o'clock this morning when I talked to some of the Canadian Admiral workers who were these statistics that he plays with so fancifully. He does not understand what it means to people's lives when they have to face mortgage payments of \$500 or \$600 a month, when they have to face going from two incomes to one, or from one income to none, when people are looking for jobs and finding no openings available at all.

Would the Treasurer at least do what the federal government did last week and share with the house his forecast of the unemployment rate in this province over the next three or four years? The federal government says the unemployment rate in Canada will exceed eight per cent over the next three or four years. What unemployment rate does the Treasurer anticipate here in Ontario?

Hon. F. S. Miller: Mr. Speaker, my ministry and others do make forecasts of potential unemployment rates. The last time I saw the statistics—something the member would like to forget—we had more people at work in Ontario at the end of October than we had a year ago. The member has to deal with the negative.

Mr. Martel: That is helpful for those unemployed.

Hon. F. S. Miller: I accept the fact there are problems. I am not trying to diminish them at all, but we still have positives. If people only listened to the member they would give up in total despair and stop trying.

TORONTO TRANSIT COMMISSION FARES

Mr. Ruprecht: I have a question for the Minister of Transportation and Communications regarding the proposed Toronto Transit Commission fare increase. The minister will be aware the TTC today will decide on the amount of fare increase it wishes to see imposed on transit riders in 1982 and Metro council will

soon make a similar determination. Fares are going to rise primarily as a result of the minister's refusal to increase his share of this vital service. I want to know if he personally favours a system in which fares rise year after year affecting those who can least afford to pay? Second, when is the minister going to give Metro Toronto a fair deal and pay at least the same share of costs that he pays to smaller Ontario communities?

Hon. Mr. Snow: Mr. Speaker, to give Metropolitan Toronto the same ratio of grants for transit operating expenses that we give to all other Ontario communities would not be a fair deal.

Mr. Smith: It would so.

Hon. Mr. Snow: It would not be fair because the systems are totally different. Their market areas, their density, their ridership, are totally different.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Snow: With regard to the first part of the question, I do not think it is unreasonable that from time to time there have to be fare adjustments. It is not only Metropolitan Toronto that has fare adjustments. As I read the press clippings from across the province, I find other municipalities are also making fare adjustments as they see fit. That is one thing we leave totally with the municipality, to establish their fare structure. Our ratio of expenditures, subsidies to the municipalities, is based on a percentage of operating costs.

For example, on the operating costs of the TTC, in 1979 the provincial contribution was \$33,103,050. That went up in 1980 to \$36,592,000 and it went up in 1981 to what we estimate will be in the neighbourhood of \$43 million. As members can see, the province, through my ministry, has made very substantial contributions to the operating cost of the TTC and have made substantial increases in those grants that I think are in line with inflation. To make grants higher than those I have just read out are not necessary and would not be realistic.

Mr. Mancini: Supplementary: Does the minister know that by increasing his share to the same level as London and/or Ottawa and by forgoing the scurrilous 27 per cent tax on diesel fuel, those two items alone would reduce the operating costs by \$9.5 million and move us that much closer to a fare freeze? Would the minister undertake to look at such a policy?

Hon. Mr. Snow: Mr. Speaker, the tax on diesel fuel is totally outside my control. If the honourable member wishes to talk about diesel fuel tax he should talk to my colleague the Treasurer.

Mr. Smith: Are you going to make that recommendation?

Mr. Speaker: Order.

Hon. Mr. Snow: Mr. Speaker, I do not think it would be fair to say Windsor, London, Ottawa, Hamilton, Mississauga—cities of that size that have 200,000, 300,000, 400,000 population—are in the same category as Metropolitan Toronto. Toronto can implement certain efficiencies and economies in serving a population of more than two million people. It is not a comparison of equal communities. It is not a fair comparison of equal area, densities, miles travelled per bus per 1,000 passengers carried—this type of calculation.

In our funding in the past years we have paid to the municipality of Metro Toronto more than 50 per cent of the deficit it has suffered. We have paid more than we would have been paying under the old formula of 50 per cent of the deficit.

Mr. Cassidy: Supplementary, Mr. Speaker: The minister is making an argument that because the transit system in Ottawa, for example, serves only a third of the area of the transit system in Toronto the fares should be substantially lower. Is he aware the fares in Ottawa now are 70 cents? They went up by 10 cents in the past year and it is anticipated they will rise by another 10 cents in 1982. They are now talking of a 90-cent cash fare in 1983.

Would the minister say how high transit fares have to go in the major communities of this province before the government is prepared to step in? Is the government prepared to review the formula for funding transit in order to ensure a fair deal for transit riders in Toronto, in Ottawa and in other communities across the province?

Mr. Foulds: And in Pickle Lake.

Hon. Mr. Snow: Mr. Speaker, I deal with all the municipal representatives across this province—with the 61, 62 or 63, whatever it is at this moment, transit systems that operate. I do not find any of those people coming to me saying the formula we have for the funding of transit is unfair. In many cases, when I discuss transit with the ministers of transportation from the other provinces, they are somewhat sur-

prised at the very generous funding and very heavy commitment this government has to transit.

We have the best system of transit funding in North America. The member knows that and there is no doubt about it.

2:50 p.m.

EXOLON COURT CASE

Mr. Swart: Mr. Speaker, my question is to the Minister of the Environment. The minister will be aware, I presume, that the Exolon Company of Canada Limited in Thorold, a large, dirty abrasives plant, was acquitted two or three weeks ago on two counts of air pollution. The lawyer for his ministry stated the court decision would not be appealed even though the judge who acquitted the company said he was satisfied "beyond a reasonable doubt that the pollution in fact took place."

Is it not true this case was lost either because of the inadequacy of his ministry in compiling evidence and witnesses, probably due to a lack of environmental staff in the Welland office, or because he did not want to prosecute hard enough to get a conviction?

Hon. Mr. Norton: Mr. Speaker, I wish the choices were always that simple and as blatantly black and white as the honourable member usually perceives things. I am not at this point familiar with the evidence presented in this case. I will consult with the legal staff involved and be brought up to date on the specifics of the case.

Mr. Swart: Supplementary, Mr. Speaker: I am somewhat surprised by the minister's answer. Is he not aware the lawyer blamed it on the refusal of witnesses, both employees of the Exolon plant and residents in the area, to testify? Does he not remember that he himself sent a letter to the city of Thorold on August 21, 1981, saying, "I would like you to be aware that the latest court case involving Exolon was a result of complaints and yet residents in the area did not wish to testify during the case."

I have here evidence from the employees, which I will send to him, that this statement is false. Does he know the main complainants were my immediate neighbours? I personally notified the ministry office in Welland they were willing to testify, as they did themselves. Let me quote from a signed statement—I will send the minister a copy of it—by the residents of the area:

"We state categorically that those statements

by the environmental lawyer and the minister are incorrect. Although we are the main complainants and offered to testify in court, at no time were any of us contacted, either by phone or letter, and requested to do so. Had we been we would have agreed to do it with enthusiasm." It was signed by Mr. and Mrs. Byford, Mr. and Mrs. Petti, and Mr. and Mrs. Hargreave. I ask the minister why he would publicly malign those people and whether his ministry will now appeal that case?

Hon. Mr. Norton: The answer to one part of that question is no. I really did not realize any of the persons who might have had some evidence to present were neighbours of the member. I find that very interesting and I hope he will continue to encourage his neighbours to be responsible citizens of the community and be prepared to come forward whenever such events occur. But for him to expect me to comment on the specifics of that case at this time without some reference from the Ministry of the Attorney General to the persons who were involved in the prosecution is a little unrealistic.

The statements in my letter and what he said could both be quite correct. When one is preparing a case in court, as he ought to know I should think, there are certain key elements to making the case. It may not be a lack of willing witnesses, it may be a lack—

Mr. Swart: That is what your lawyer said it was.

Hon. Mr. Norton: Yes, but the member should just calm down for one moment so he can hear the complete sentence.

It may be, for example, that certain persons whose evidence would have been key elements to making the case in court were not there. It may be there were all kinds of people who would have liked to have given evidence, but the evidence might not all have been entirely relevant to making the case. I do not know that is the answer.

All I am saying is that his assumptions are very simplistic. I will check and see what I can find out regarding the statement attributed to counsel in the case, but I suggest the member check with the member for Riverdale. I guess he is the only lawyer left in his caucus. He should check with him and let him explain in simple terms what is required in making a case in court. It is not simply an oath-giving exercise where they line up witnesses whose evidence may not be entirely elemental in making the case. I will check and see what I can come up with.

Mr. Smith: In his answer to my Order Paper question on this very matter, the minister has said about the reason they did not prosecute Walker Brothers who operate the dump site: "Prosecution was not pursued since the statute of limitations applies and the certificate of approval that was in effect at the time drums were received did not exclude the acceptance of liquid waste."

At the time we raised the matter in this House there would have been time to prosecute and the statute of limitations ran out only because the minister took so much darned time about the whole thing. Given the fact the certificate of approval excludes liquid waste, inasmuch as it does not include it, and the Ridge landfill decision makes that distinction clear, what excuse is the minister now prepared to offer as to why he did not move towards prosecution?

Hon. Mr. Norton: I think it is important the honourable Leader of the Opposition understands that investigating a given case may involve a considerable amount of time. One of the things I will be—

Mr. Smith: You let the time run out.

Hon. Mr. Norton: That is not entirely uncommon.

Mr. Breithaupt: Not in your ministry.

Hon. Mr. Norton: As a matter of fact, I have three bills that have been introduced which will be given second reading in the House this afternoon. An important element of two of those is the extension of the present six-month statute of limitation period to a period of two years because of that very problem.

Investigations of matters relating to the environment often have a tendency to be very complex. It is not the kind of thing we can always be sure of getting done within six months. I reiterate, that is one of the things leading to the proposed amendments in the bills this afternoon, which I hope members will support unanimously and enthusiastically.

PRISON OVERCROWDING

Mr. Kolyn: Mr. Speaker, I have a question of the Minister of Correctional Services. In the Sunday, November 15, edition of the Toronto Star, an article written by Mike Erdle stated there are plans to put prisoners convicted of serious offences in the Mimico Correctional Centre. In Lakeshore we find this alarming. Will the minister tell me if that statement is accurate?

Hon. Mr. Leluk: The honourable member for Lakeshore is no doubt aware we have a degree of overcrowding in the Toronto East and West Detention Centres. The ministry is maximizing the use of available space at the Mimico Correctional Centre in west Toronto and is upgrading the security of the fence in order to accommodate up to an additional 150 selected inmates.

I would like to assure the honourable member we do not intend to house maximum security inmates at this facility and we are not upgrading the facility to maximum security. He may also be interested to know the average inmate stay at Mimico is approximately 67 days.

Mr. Philip: Supplementary, Mr. Speaker: There has been a problem in the west end detention centre in the past with correctional officers complaining about excessive overtime and of that being a safety hazard. Would the minister table with us any changes there may be or any increases in the amount of overtime required as a result of overcrowding in these institutions?

Hon. Mr. Leluk: I will be pleased to get that information for the honourable member.

Mr. Eakins: Since we are speaking of overcrowding mainly in the Metro area, what is the situation in many of the institutions in other parts of the province? Is it similar to the Metro area?

Hon. Mr. Leluk: Mr. Speaker, in answer to the member for Victoria-Haliburton, this degree of overcrowding is mainly being felt in the Hamilton-Toronto corridor. Crowding in the other institutions is not to the same degree as it is in Metro.

GAS FURNACE VALVES

Mr. Ruston: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations with regard to energy conservation for natural gas furnaces.

3 p.m.

When is this government going to approve automatic, electric or thermal unit dampers for use in natural gas furnaces in Ontario? This type of unit has been used for seven years in the United States and some provinces in Canada and has reduced gas consumption by approximately 20 per cent. Can the minister assure this House Union Gas has not been a part of this refusal to approve this type of unit?

Interjections.

Mr. Speaker: Order. Order. Will the minister please respond?

Hon. Mr. Walker: Would you like me to send this to you, Mr. Speaker? Do you need a new gas valve?

Interjection.

Hon. Mr. Walker: Would you like to repeat that? I think I will send this up to the censor board for their review of the matter.

I will have the matter looked into to determine if this gas valve, which is made in the United States, has Canadian Standards Association approval and the approval of the people from the energy board and the gas standards as well. I will have to determine whether or not it has been submitted to them for approval. Ultimately, if it is approved by them and meets the standards and qualifications of national and provincial requirements, it of course can then go on the market. There is certainly no other impediment.

Mr. Ruston: Supplementary, Mr. Speaker: We know it has not been approved yet by Ontario. We want to know why, since similar units are being put in new furnaces in Ontario, the minister will not allow them to go in existing systems. The cost of these new furnaces is about \$3,000 and for \$400 extra one can put in the dampers, electronic ignition and also a set-back thermostat, which will save about 30 per cent of our natural gas.

Hon. Mr. Walker: Mr. Speaker, nobody can dispute those claims; if they are valid that is just great. I think if they are capable of being adapted to existing furnaces, if they are valid and if they work properly on existing furnaces, which is an important safety factor, then certainly this province will not prevent them from being installed. The fact they are being installed in some new burners is promising, and I suppose it means it is likely they will ultimately be tailored enough to be approved on existing furnaces.

But safety is the key factor. That is why we require the approval of the Canadian Standards Association and of the Life Underwriters Association of Canada as well: just to ensure there is proper public safety. The member well knows there have been some incidents, probably not very far from his own community, where improperly installed gas appliances have created some difficulty. I know in other parts of the province we have valves that are creating difficulty.

Only three weeks ago I issued a statement in the House obliging a recall of the White-Rodgers gas valve, which has turned out to be

something of a safety problem. It is not related to this, of course, but it is important that there be safe appliances. That is why we require proper safety features to be passed by the Life Underwriters, by the Canadian Standards Association and by the energy people.

Mr. Newman: Mr. Speaker, is the minister aware such devices have been approved in British Columbia, that they are likewise used throughout Europe and that millions of this type of unit are used as add-ons and not as regular equipment in the purchase of the furnace? Is he also aware that L-K Metal approached his ministry well over three years ago and asked for approval or for some answer from the minister and have never been able to get one from his ministry?

Hon. Mr. Walker: I would ask the member if it is this unit that has been approved for use in European centres and all through the United States and in British Columbia?

Mr. Newman: The Ameri-Therm unit has been approved in British Columbia and apparently is being examined by the Canadian Gas Association. From the information I received, it is absolutely safe.

Hon. Mr. Walker: I hope the member is right, and if it is a safe feature, I hope it will be on the market as soon as humanly possible.

LUMBER COMPANY LAYOFFS

Mr. Stokes: Mr. Speaker, I want to ask the Minister of Natural Resources whether he will undertake, in concert with his colleague the Minister of Northern Affairs (Mr. Bernier), to come up with a program of silviculture work, scarification and thinning in northern Ontario to cushion the effect of all the layoffs in the lumber, particle board and plywood industries.

Specifically, will he use those funds there are in both those ministries to good advantage to meet some of the requirements under the forest management agreement for more silviculture work to increase productivity in the boreal forest?

Hon. Mr. Pope: Mr. Speaker, we are aware of the unfortunate consequences of the fire in that mill and of the widening impact of loss of employment on a temporary basis to the workers up there. For the last couple of weeks, our ministry staff has been working on a couple of alternative programs. The Minister of Northern Affairs has also been discussing it with me.

When we get a little further information from the companies involved, beyond the actual

company involved in the fire, I hope we will have a couple of options to consider. We are concerned about it, and we are working on some alternatives.

Mr. Stokes: What kind of a time frame is the minister working within? As he well knows, there are literally hundreds of people who are out of work because of soft lumber markets, but there could be 1,500 people who will be out for several months as a result of that major fire at Kimberly-Clark in Terrace Bay. Is he looking at that in the immediate future?

Hon. Mr. Pope: We do have some limits in terms of climatic conditions that we have to consider in some of our own programs under the forest management agreements and under crown treatment for reforestation programs, but we are looking at something in the springtime that will be of some long-term assistance. The timing of it will have to be negotiated with the federal government as well.

Mr. Smith: Mr. Speaker, has the minister an estimate of how many of these people he could put to work over this very difficult and unfortunate time if his ministry were to use the money that is otherwise earmarked to purchase a jet plane?

Hon. Mr. Pope: Mr. Speaker, I am confident we have in place government programs that will allow us some flexibility in terms of utilization of manpower. I know the Leader of the Opposition is not familiar with the situation in the Kimberly-Clark mill. He wishes to use it as another vehicle to launch his tirade against the jet, which he does not understand either. I can assure him that with the existing programs, and we have the best in this country, we will continue to look after the problems of the people in northern Ontario, which he does not understand.

LIQUID WASTE DISPOSAL

Mr. Kerrio: Mr. Speaker, I have a question of the Minister of the Environment. On November 9, the minister stated as follows, at page 3296 of Hansard: "As he may be aware"—the minister was talking about the Leader of the Opposition—"there has been an application for leave to appeal the Ridge decision, which comes before the Court of Appeal on the 16th. If I am not mistaken, I certainly have a very keen interest in whether or not that decision will be appealed because, obviously, if it stands, I may well have to take some specific actions. I am looking at those alternatives at the present time in anticipation of any possible outcome of the hearing."

Given that leave to appeal has not been granted in the Ridge court decision and that an indelible shadow now is cast on some of the minister's other certifications, can he advise us exactly what he is going to do to clean up the situation his own officials have got us into?

3:10 p.m.

Hon. Mr. Norton: Mr. Speaker, for purposes of clarity, I wish to point out to the honourable member that in the quotation he read, the words "if I am not mistaken" related to some uncertainty as to whether I had the correct date. I was not worried about being mistaken about my keen interest. That is just the way it came across. I was not sure about the emphasis.

The member is quite correct; the application for leave to appeal was denied yesterday. It is my intention to outline in the House, in a full statement to the honourable members within the next few days, the course of action I will follow to remedy the situation.

SPEAKER'S RULING

Mr. Wrye: Mr. Speaker, I rise on a point of order as a result of the confusion on the earlier point raised by my colleague the member for Essex South (Mr. Mancini).

As I understand the ruling you made some time ago in regard to leaders' questions, you ruled that there would be first a question from the party leader, then a supplementary from the party leader, followed by a supplementary from the other opposition party and a final supplementary from the party that asked the original question.

You also ruled that if the other opposition party missed its turn, it was simply out of luck. Yet today, on the second question from my leader, you recognized him for a supplementary and, when no member from the third party stood in his place, you recognized the member for Niagara Falls (Mr. Kerrio).

Mr. Speaker: With all respect, that is not a point of order.

INTRODUCTION OF BILLS

EMPLOYMENT STANDARDS AMENDMENT ACT

Mr. Renwick moved, seconded by Mr. MacKenzie, first reading of Bill 168, An Act to amend the Employment Standards Act.

Motion agreed to.

Mr. Renwick: Mr. Speaker, the purpose of the bill is to create a first charge over the assets

in Ontario of every employer for the purpose of securing the payment of any moneys that may become due to an employee by way of termination pay under sections 40 and 48 of the Employment Standards Act. This charge would have priority over every other security interest on the real and personal property in Ontario of the employer, whether created before or after the coming into force of this act.

VDT OPERATORS' SAFETY ACT

Mr. R. F. Johnston moved, seconded by Mr. McClellan, first reading of Bill 169, An Act for the Protection of Video Display Terminal Operators.

Motion agreed to.

Mr. R. F. Johnston: Mr. Speaker, the purpose of the bill is to protect the health of video display terminal operators by regulating the conditions of their employment and by setting the standards for the operation of terminals.

It prohibits the sale or leasing of terminals that emit any form of radiation other than visible light. It allows operators to withdraw their services if they are pregnant, and it establishes health and safety committees for office workers who are terminal operators.

MUNICIPAL ELECTIONS AMENDMENT ACT

Hon. Mr. Bennett moved, seconded by Hon. Mr. Gregory, first reading of Bill 170, An Act to Amend the Municipal Elections Act.

Motion agreed to.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, before the orders of the day, I wish to indicate to the House that there is standing on the Notice Paper in the name of Mr. Smith a motion of no confidence in the government, which will be called this Thursday evening at eight o'clock.

ORDERS OF THE DAY

House in committee of the whole.

METROPOLITAN POLICE FORCE COMPLAINTS PROJECT ACT (continued)

Resuming the adjourned consideration of Bill 68, An Act for the establishment and conduct of a Project in the Municipality of Metropolitan Toronto to improve methods of processing

Complaints by members of the Public against Police Officers on the Metropolitan Police Force.

On section 19:

Hon. Mr. Wells: Mr. Chairman, the Solicitor General will be here within five or six minutes. With the concurrence of the House, his parliamentary assistant, the member for Carleton East (Mr. MacQuarrie), will start the debate.

Mr. Chairman: I take it that I have the concurrence of the House. While we are getting organized, I will refresh everyone's memory. We are on Mr. Elston's proposed amendment, an addition to section 19. His addition will be subsection 18, "The board may make an order which awards costs to a party to the hearing."

Mr. Elston: Mr. Chairman, I do not think that has been officially moved. We closed at the end of section 19(17).

Mr. Chairman: Mr. Elston moves that section 19 be amended by adding the following subsection: "(18) The board may make an order which awards costs to a party to the hearing."

Mr. Elston: Mr. Chairman, this amendment was introduced in committee. It attracted some superficial appeal on the part of some honourable members, who then took a considerable amount of time to have their outside information brought to them. It was debated at length in committee.

I wanted to move it again and let the committee of the whole House know that this amendment is in accordance with a move that we think is appropriate, in which all boards with a public function ought to be able to award costs to a party for an appearance before a board. This would stimulate the use of the procedure by those people who would not be able to pay their own way in cases where they had a valid complaint. That ought to be the paramount consideration.

It also has the effect, as I pointed out during the argument in committee, of dealing with situations that are not "legitimate" in the eyes of the board. It would therefore tend to prevent the profusion of appeals to this public board by those citizens whose complaints were not substantiated in the initial event.

We think that it is worthwhile to make this amendment to this legislation, but we anticipate the reaction of both the New Democratic Party, which forsook the cause of the people, and of the government party, which also voted against this matter in committee.

3:20 p.m.

Mr. Philip: Mr. Chairman, not forsaking the cause of the people, but rather speaking on behalf of it, one would think that the Liberal Party would have understood that something as sensitive as a police complaints bill should be one in which every possible encouragement and ease for those people who may have been mistreated or allegedly mistreated in some way would be put forward.

Instead, the Liberals seem to want to bring forward an amendment that will discourage anyone from coming forward. Indeed, it will discourage those who are most economically disadvantaged from coming forward out of fear that, if the decision does not go in their favour, they will suddenly be faced with tremendous costs.

I would have thought the Liberal Party would have some sensitivity to that. Certainly they voted with us on the other amendments we proposed that would make the police complaints procedure more accessible and more open to the public.

No one is advocating, nor have we found before any of the other tribunals, that we have a series of people putting themselves through unnecessary complaints out of frivolous reasons. This has not happened before the Workmen's Compensation Board or any of the other tribunals that we have in this province, and there is no reason to believe that they would unnecessarily put themselves through that kind of procedure in this instance.

All this will do will be to discourage people who do not have the financial means to pay in the case of a decision that happens to go contrary to their wishes. Certainly we cannot go along with that kind of reactionary, upper-middle-class thinking of the Liberal Party. They should talk to ordinary people and find out what their concerns are before accusing us of not being sensitive to the public.

Mr. Wrye: Mr. Chairman, I want to speak very briefly in support of my colleague's proposed amendment, which we proposed in committee.

I was amazed in committee when the member for Etobicoke (Mr. Philip) and his colleague the member for Nickel Belt (Mr. Laughren) did not support us, and I am amazed to hear the same tired arguments being reiterated by the members on our left—arguments that I would have expected from the members of the government party.

It is very clear to us that the object of the

amendment is to reduce and eliminate frivolous complaints and to eliminate a frivolous defence by police officers who are clearly guilty.

Where the amendment is weighted on behalf of the complainant is that, even to get to a board hearing, the public complaints commissioner must first decide, even before going to that hearing, that there is some basis for the complaint. It seems to me to be very unlikely, unless the complainant has been lying from day one and that is uncovered at the hearing, that any hearing, even if it goes against the complainant, will then find that it was a frivolous complaint in the first instance.

On the other hand, a police officer who was clearly guilty in a complaint could force the issue through a hearing and, by doing so, discourage a complainant from pursuing a just settlement so that he would drop the whole matter. It seems to me it would have a chilling influence on that small minority of policemen who might be guilty, in that they would know there could be an award against them, should they go through the process and lose.

Rather than ignoring the plight of the working people and the little guy, whom the member for Etobicoke (Mr. Philip) as usual professes to speak for, it would be a really new protection for the little guy who is afraid of the process in the first place. It would say to him that if the other side is stonewalling, just stick with us and you may ultimately get an award.

Mr. Chairman: I see no other discussion from members opposite, and I see the Solicitor General is in attendance. Possibly, though, he will not be refreshed as to the debate. Perhaps the parliamentary assistant would like to make a comment about the proposed amendment by Mr. Elston.

Mr. MacQuarrie: I might say, Mr. Chairman, that the question of cost was carefully considered, not only during the course of drafting the bill but also at the committee level.

One thing the members opposite tend to overlook is that the burden of the carriage of proceedings is on the public complaints commissioner, and the bulk of the expenses incidental to the carriage of the proceedings is on him and the police officer, who is, of course, the accused.

Although the complainant certainly is entitled to counsel, the complainant in the situation of complaints before the board stands rather in the same position as the complainant in a criminal action or the like where the burden of the complaint and the charge is actually carried

by, in this case, the public complaints commissioner. Therefore, I think the proposed amendment to award costs to parties involved is completely unnecessary.

Mr. Elston: Mr. Chairman, with respect to the parliamentary assistant, I think he has misconstrued the role of the public complaints commissioner. All along, this bill has been shown as setting up a mechanism whereby a person with some degree of independence in relation to this whole complaint process has been established to deal with a member of the public's complaint. The public complaints commissioner is there to adjudicate between those two parties who are at loggerheads.

He is trying to tell us, in effect, that the public complaints commissioner is acting in a way that would give him carriage of the whole matter for the complaint. I think, with respect, that argument does not hold water. I tend to believe people from the ministry who have made submissions indicating that the public complaints commissioner is indeed an independent mechanism. In fact, he does not have carriage, so to speak; he has a monitoring job to do. He does not carry the action for anybody.

If he is seen in that light now, we had better go back and start debating the very essence of this bill in which we proposed that the body should be independent altogether in terms of investigation and in terms of adjudication of the complaint itself.

Once we get past that argument, there is nothing left in the parliamentary assistant's rejection of this amendment, and we ought to proceed to implement this provision in the bill now and let the board deal with the question of costs in the appropriate situation.

3:30 p.m.

Mr. Chairman: All those in favour of Mr. Elston's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion, the nays have it.

Amendment stacked.

Sections 20 to 26, inclusive, agreed to.

On section 27:

Mr. Chairman: Shall section 27(1) carry? Carried.

I have an amendment here to section 27(2). The Solicitor General is making his way here slowly, but I am sure he will arrive.

Mr. Roy: Let the record show that the Attorney General walked in now.

Hon. Mr. McMurtry: The Attorney General did walk in now, but it is the Solicitor General's bill.

Mr. Roy: That is what I mean about conflict.

Mr. Chairman: The parliamentary assistant.

Mr. MacQuarrie: Mr. Chairman, unfortunately, I do not have a copy of the bill with the amendment as printed.

Mr. Chairman: Mr. MacQuarrie moves that section 27(2) of the bill be struck out.

Mr. MacQuarrie: Mr. Chairman, this amendment introduces an element of confusion into the bill. It is redundant in view of earlier sections and serves no useful purpose in improving or otherwise enhancing the bill; in fact, it detracts very much from it.

The subsection immediately preceding it says that the act is to be "repealed on a day that is three years after it comes into force or on such day thereafter as is named by proclamation of the Lieutenant Governor."

The amendment says a detailed report on the operation of the project during its three years of existence has to be made before the act is repealed. We have status reports and evaluations being carried out consistently throughout the life of the bill, which is a three-year test or trial period.

One should remember the bill undoubtedly will be amended during the course of its trial period to incorporate recommendations for improvement that the public complaints commissioner might note in the course of his work.

I ask the honourable members to look at section 14(1)(f) which requires the public complaints commissioner to "evaluate the effectiveness of the system," section 26(e) authorizing the Lieutenant Governor to make regulations "prescribing criteria to be used by the public complaints commissioner in evaluating the effectiveness of the system for handling complaints," and section 3(3) requiring the public complaints commissioner to "report annually upon the affairs of his office to the Solicitor General." He, in turn, submits the report to the Lieutenant Governor in Council and then lays the report before the assembly. Section 4(10) places a similar reporting requirement upon the Police Complaints Board.

Obviously, the subsection which we propose to strike out is, in the light of those circumstances, clearly redundant.

Mr. Elston: It appears the parliamentary assistant sees something in this section that three Conservative members of our committee

did not see. Three of those individual Conservative members voted with the opposition members on the committee to put this amendment in the legislation. They did not buy the arguments on section 3(3) which were put forward to some extent by Mr. Mitchell and by Mr. MacQuarrie, because they dealt with section 3(3) suggesting the annual report would convey to the members of the Legislature all we needed to know about the effectiveness of this operation.

This project is not determined to go year by year. It is determined to go over the course of three years in its entirety. One annual report on top of another is not going to give the Legislative Assembly of Ontario the true picture of how this pilot project is functioning in Metropolitan Toronto.

Nor can we consider we will be able to have enough representations to this Legislative Assembly to alleviate the fears we felt and which were expressed to the committee by various members of the community of Metropolitan Toronto in relation to the very essence of the creation of this pilot project.

We convinced three members of the Conservative Party to vote in unison with the opposition members of the committee to put this piece in section 27 so we might have the opportunity in the standing committee on administration of justice of the Legislature to examine members of the board, perhaps to examine complainants, to examine the police again as to their feelings in relation to the functioning of this pilot project. There is no redundancy in that amendment because the annual reports do not give the standing committee on administration of justice the opportunity to do any of those things when an annual report is filed.

I think the government feels it has unfortunately not whipped its members quite enough and it allowed them to vote and put in an amendment which is now embarrassing. They have lost the vote. They are now turning on their heels to reassemble the troops and to wipe out any semblance of input in this bill. We can understand if they are diametrically opposed to letting the project have an independent investigative procedure. We are willing to allow them to hold that opinion and to express it in the form it is being expressed in this legislation.

At the same time we do not think they ought to change it now, after the amendment has been made in committee, where the committee members had the opportunity to hear from the public at large. A large number of individuals came to us, both on their own and as

representatives of groups of society in Metropolitan Toronto, to express their fears. We tried to make amendments which would deal with their concerns. In most cases we were unable to make amendments.

3:40 p.m.

However, in this situation, in concert with several members of the Conservative government, we were able to make an amendment which would allow us to deal with the results of this pilot project. Now we are being told by the Solicitor General that the justice committee ought not be able to determine whether or not this pilot project has worked.

The argument put forward time and again by the Solicitor General and by a number of his people who sat on that committee was to the effect that no amendments ought to be made to this piece of legislation that would destroy the essence of the bill.

They say, "Give it a chance to work. Don't interfere with it. Don't cause problems with public confidence in the police." That may be very well and good, but now that we have this piece of legislation we are being told the justice committee ought not to be able to find out the reaction to the pilot project.

This piece of legislation, in one form or another, will be designed to meet the needs of the rest of the province. It ought to come before the committee on administration of justice at the end of its first three years in existence so that we can determine whether or not it has been as effective as the Solicitor General says it will be and as effective as all members of that committee hope it will be. Despite the amendments, there is not one member of the committee who doesn't want it to work. We all want it to solve the problems which have arisen and which have caused such great concern among the people of Metropolitan Toronto.

This piece of legislation is important enough to have caused the Association of Municipalities of Ontario to pass a resolution asking that we provide for an independent investigative procedure in this bill. The standing committee on administration of justice did not make that amendment. I think the standing committee should be allowed to assess the results of its deliberations. It should be allowed to assess the impact the legislation has on the wellbeing of the members of society of Metropolitan Toronto. To eliminate this will prevent the standing committee from having the opportunity to assess the results and it will prevent the Legislative Assembly from hearing the results of this three-year pilot project.

I respectfully submit that we should vote against the Solicitor General's proposed amendment for deletion. I would ask members to vote in favour of retaining section 27(2), which would through the standing committee on administration of justice provide the Legislature an opportunity to voice its opinion on the results of the three-year pilot project.

Mr. Philip: Mr. Chairman, essentially this motion deletes an amendment which I was able to convince my colleagues, including two or three Conservatives, to vote for. The amendment is based on the premise that while we on this side of the House may disagree with what the government is doing, and particularly the way in which this bill operates—and specifically that we have been so critical as to suggest the bill will not work in its present form, at least without amendments to section 5—we were willing to put our cards on the table and say: "Let's find out in three years. Let's have a public evaluation of the bill."

We said to the Conservative members—and I know it was a very persuasive argument to Mr. Piché: "If you are right and we are wrong we will be the first to admit it, and it will come out in this kind of public forum we are advocating before this bill destructs in three years' time. If you really are not putting on a game, if you are not acting out a play, if you really believe this bill does what you say it does, then you have nothing to fear." That was the argument that persuaded the Conservative members of that committee to vote for the amendment. They bought the line of the Solicitor General; they believed the parliamentary assistant to the minister; they believed the bill really could work and with this kind of open evaluation they had nothing to fear and they would be proven right. With that thought, they voted for it.

I know how shocked the chairman of the committee sitting over there must be at this time. He reported this bill to the House in good faith. He thought he had a good bill. It was debated; his committee had looked at it in all seriousness; there were some disagreements; but finally he reported a bill to the House that would pass in the form in which he reported it. Instead the minister finds that Mr. Gregory was unfortunately not able to get his boys to stop thinking for themselves and to act as his puppets. For once, he was not sitting in that row back there acting as their ventriloquist and, therefore, they started to think for themselves.

It was fairly late in the bill, but I always say, "Better late than never." Finally, towards the

end of the bill, when Mr. Gregory had to go to the washroom—something happened anyway; he had to be in some other committee—discipline broke down and democracy started to reign supreme in that committee. They started to think about some of the ideas. I only wish that had happened earlier. I am sure other amendments would have been passed and I think section 5 would have been in a completely different form.

The parliamentary assistant talks about the review process. I know the parliamentary assistant is new to this House and perhaps he is not fully aware of the way committees operate. If I may, therefore, I will give him a short lesson in the way this operates. Listen to the experience of six years. Some people have one year's experience, others have one year's experience six times, and other people have six years' experience. I would like to think at least I am giving you six years' experience.

One of the things I learned early in the committee, even before I was chairman of the justice committee—I did not even have to be chairman to learn this—I found out that committees—particularly during estimates, which I assume is what he is talking about in 14(1)(f)—would report back to the minister and the minister would be questioned in the estimates, to have public hearings. They do this in standing committees with special inquiries that are assigned to them by the House, but they do not during the estimates process. I am sure the chairman of the justice committee will tell you this, because he knows how all the committees operate now. But there is no way, other than sending out the annual report of the minister, we can have an open review of this bill.

Mr. Chairman, I know if you had been on the committee you would have voted with your Conservative colleagues, because you are a bright and honest individual and with your background as a lawyer you believe in the evaluation system.

3:50 p.m.

I come from a business background where evaluation is a must. We call it performance by objectives and it is proper to build into any kind of—

Interjection.

Mr. Philip: I am sorry. If I am going to respond to your interjections, at least I have to hear them. If you want to make it now and do not gargle it, I will be happy to respond.

Management by objectives is what we talk

about. Here we have the Conservative government that prides itself on being good managers yet it is afraid of any kind of evaluation. Part of the evaluation in management by objectives, particularly in any kind of body that deals with the public, is that one goes out and asks the client how he feels about the product one is selling.

The government has sold us a product. They even sold their back-benchers until section 27 when Mr. Gregory wandered away for a few minutes. They sold them the whole thing. They believed it. Then we came in and said, "If it is all that good let us test it," and that is when they bought it.

But the Solicitor General or his parliamentary assistant comes in and says: "It probably is not that good. Boy, if we have public evaluations, they are going to find out what we have really passed over on them. They are going to find out the bag of tricks. Furthermore we are going to shock all those Conservative back-benchers. We are going to have this credibility problem in our own party, among our own back-benchers." So they said: "There is Gregory. He is at work. He has taken those three fellows out."

I do not know where they are this afternoon. I know if they were here they would be shocked at what is happening. I am sure he has done his best to keep it a secret from them.

Here we are with a serious amendment that was passed by the committee. It simply says, "If you are not afraid of the public, the police associations, all those people who came before our committee and, indeed, others who will be affected by the bill in the next three years, let us have a proper evaluation by Metro and by the justice committee. Let us deal with the public."

There is nothing in this bill now that allows for that public input. I hope some of the Conservative members will think about the problem in the same way their three colleagues thought about it in committee, and that they will join forces with us in a management by objectives exercise with a proper evaluation of this program; because this is a bill we say will not work. This is a bill they say will work. Put your money where your mouth is. Let us have an evaluation in three years and we will see who is right.

Mr. Wrye: Mr. Chairman, I would like to add a few words on this proposed deletion of section 27(2). I might say at the outset this is a very disappointing move on the part of the Solicitor General because in my opinion it takes away the

last opportunity we have to judge this pilot project. I would remind the members of the House, at the outset, that is what this is meant to be. It is a pilot project. As the government was so ready to remind us throughout the committee hearings, this is not a piece of legislation that is etched in stone. It is a pilot project and three years later we are supposedly to come back, take another look at it and see what has worked and what has not.

It seems to me that the proof of just how much of a pilot project it is is right here in the proposal to delete section 27(2). I submit this is the project the Tories want today, tomorrow, next year and three years from now. The best way to make sure they get this project without any complaints or whimpers from the opposition or from the general public is to avoid having any detailed evaluation. That is what this amendment proposed.

I suggest the Tory back-benchers in the House and those who are listening to this debate check with the member for Sudbury (Mr. Gordon), the member for Cochrane North (Mr. Piché) or the member for Fort William (Mr. Hennessy). All three of those Conservative members were persuaded by the amendment introduced in committee and they joined both opposition parties in supporting it. I look forward to seeing them when we have this vote standing in their places in support of the retention of section 27(2).

It is important to have this subsection because this is the only way we are ever going to have a detailed examination of whether or not this pilot project is going to work. The parliamentary assistant to the Solicitor General pointed to section 14(1)(f), an evaluation proposal for the public complaints commissioner. I think the public complaints commissioner is going to have more than enough to do in the next three years just in trying to keep this project on the straight and narrow without trying to do a good detailed analysis at the end.

That is why we have put in another procedure for the board, rather than the public complaints commissioner to do an evaluation, so we can see that it is done right. Further to that, this analysis is then to be forwarded not only to the justice committee of this Legislature but also to Metropolitan Toronto council for its consideration. It seems to me this is a way to get Metro council involved in the discussion, and that, I believe, would be very useful.

During the hearings before the justice committee, which went on for some three weeks, we

heard representations from many groups that disagree very strongly and passionately with some of the key elements in this legislation. They disagree with the proposal that now has the police conducting the initial investigation themselves. They disagree with the lack of power of the public complaints commissioner to step in at any time when he thinks his entry into an investigation would be in the public interest. And they have doubts about the proposal that no policeman can be found guilty unless the findings are beyond reasonable doubt as opposed to a balance of probability. That is just to name three.

Mr. Elston: I have a feeling the Solicitor General would like to speak to us.

Hon. Mr. McMurtry: Not at the moment.

Mr. Wrye: We will carry on. Perhaps he needs a little more convincing.

They brought all these complaints, and it is fair to say the opposition agreed with them and the government did not. I think we all wanted to come up with a piece of legislation that would work. So in the end, with the support of three out of six Conservative members on the committee, we said: "Let's give it one more chance to work by including at the end of the three years a good solid review of the project that can come before the justice committee and before Metro Toronto council. Let's see whether or not the concerns we and other groups have raised—including the city of Toronto, some of the labour organizations, the minorities, the civil liberties association, a wide spectrum of opinion, groups and organizations in Toronto—are valid."

That is why we put in this subsection. And it bothers me that we are taking it out, because to do so is a signal to all the people who came before us in good faith that the government does not really wish to have this re-examination. Oh, they have an annual report and a small evaluation system by the public complaints commissioner, but the PCC is going to be too busy with day-to-day affairs and the annual report will not come up for debate.

4 p.m.

I hope the members opposite will join with both opposition parties, and with their colleagues from Sudbury, the member for Cochrane North and the member for Fort William who voted with us during consideration by committee of the whole House, and defeat this proposed deletion.

Mr. Di Santo: Mr. Chairman, I express my regret for the move made by the parliamentary assistant on behalf of the Solicitor General. If we want to understand how necessary it is to review the whole operation of this project, we should try to understand the concerns expressed during the hearings before the committee by several groups—the city of Toronto, the Civil Liberties Association, labour groups, minority groups, all those people concerned with the operation.

This pilot project has been clouded since the beginning because there are many people in our society who think this is not the right way to handle complaints against the police. How many cases have been denounced in the past few weeks? One after another, people say they have been treated by the police in a way that is abusive, and in some cases they allege they have been treated with brutality.

The relationship between citizens and the enforcement authorities in Metropolitan Toronto is a very sensitive area. We have tensions that are not going to disappear. We have racial and social tensions that increase every day because of the social conditions of our province and the makeup of this city.

Therefore, the government should understand it is in the best interests of everybody to have a mechanism that is not only workable but understood by the majority of the people, and about which there is no doubt of its impartiality in its role of solving the problems for which it has been set up.

A review is extremely necessary. When we have a review, we can say this is the type of mechanism we want. Perhaps the people who were critical of the administration of justice committee before the introduction of the bill, and during the hearing, were right in saying complaints against the police should not be investigated by the police but perhaps should be investigated by an independent body. This is extremely important if we want to have the kind of open government that will have the confidence of the citizens.

By proposing the amendment to section 27 the government is proposing something that is totally unnecessary. If the government is honest in its intentions, and if it thinks this is the right mechanism to solve the complaints against the police, they should not be afraid of a review three years from now when the bill expires. Then not only the government, and not only with coercion of the whip, but all the members

of the Legislature will appreciate the bill as perhaps one that could become a model, not only for Toronto but for the province.

I suspect that with this amendment we are going a step further in what seems to be an imposition of what the government thinks the culture of the majority wants, which by definition is always right. The government is practically saying that it is right and that all those who criticize or do not agree, or who have a difference of opinion with them, are wrong.

I do not think all the minority groups that appeared before the justice committee were wrong; they had different opinions. I think the mechanism set up in section 27 allows for an evaluation of all those opinions, because I do not think the government is right by definition or because God gave it a special gift. This is a pilot project, as defined in the bill, and this pilot project should be subject to an evaluation, like all pilot projects.

I hope the government, in its arrogance, will think twice and perhaps give some credit to the Conservative members who, in good faith, thought that perhaps this was the way to go about it.

Mr. MacQuarrie: Mr. Chairman, I was going to say, with respect to the comment by the member for Etobicoke, who spoke of management by objectives, that what we expect to obtain by this bill are results. I would have much preferred to have heard him speak more positively of results emanating from this bill, which is one of the most progressive and advanced pieces of legislation dealing with complaints against the police that has been put forward in this or any jurisdiction.

I reiterate with respect to section 27(2) that the subsection as it is worded is confusing and redundant in view of the earlier provisions of the act. There could well be some merit in a report on the operation of the project being prepared but certainly not in the language used in this particular subsection.

Notwithstanding the remarks of the members of the opposition—

Hon. Mr. McMurtry: We are trying to work something out.

Mr. MacQuarrie: Just a moment, please.

Hon. Mr. McMurtry: Excuse me, Mr. Chairman. Perhaps it is unparliamentary for me to substitute for the parliamentary assistant, but what we are trying to do now is to accomplish the goal of this amendment. We are unhappy with the wording. We see a number of the

problems, but we may have a wording that would satisfy the members opposite in this matter and demonstrate once again our desire to work together in the interests of the people of Ontario.

4:10 p.m.

Mr. Philip: In that spirit, I wonder if the Conservatives would agree to reopen section 5, where we can really deal with consensus.

Mr. Chairman: Section 5 is long gone but, with that in mind, are we waiting for a proposed amendment? What should I do to fill in the time?

Hon. Mr. McMurtry: You could tell us a joke.

Mr. Chairman: Is it worthwhile to recess for five minutes?

Mr. MacQuarrie: If you will excuse me, Mr. Chairman, as I was saying, there might well be some merit in having a report submitted but not in the specific language that was used in section 27(2). We are prepared to substitute an amendment instead of deleting the clause completely.

Mr. Di Santo: Make an effort. Come on.

Mr. Chairman: He is getting there, I think.

Mr. MacQuarrie: I want to withdraw the amendment, Mr. Chairman.

Mr. Chairman: The parliamentary assistant wishes to withdraw the proposed deletion of section 27(2). Is that agreed to by the committee?

Some hon. members: Yes.

Mr. Chairman: Is someone in the process of writing this amendment out? Maybe members opposite would like to have copies.

Mr. Philip: Could we get one copy for each of the parties?

Mr. Chairman: Is this it?

Mr. MacQuarrie: It is just in my handwriting on the bill.

Mr. Chairman: Perhaps you could read it nice and slow.

Mr. MacQuarrie: If I could read it, Mr. Chairman: I would move that section 27(2) of the bill be struck out and the following substituted therefor:

“The public complaints commissioner shall prepare a detailed report evaluating the effectiveness of the system for handling complaints during the three years of operation of the project and forward copies of the report to the Solicitor General, the council of the municipality of Metropolitan Toronto and the standing committee on administration of justice of the Legislature.”

Mr. Philip: May I ask a question of the Solicitor General? Do I take it that would be tabled as a sessional paper and, therefore, the committee could deal with it as a public document for public input? Is that his intention?

Mr. Chairman: Wait a minute. Before we go any further—

Hon. Mr. McMurtry: This is like Alphonse and Gaston.

Mr. Chairman: Yes, I know. Let us get our act together. With all due respect, I say to the Solicitor General, let us abide by the standing orders and get back on track. In theory, since you are in the House, the parliamentary assistant should be relieved of the responsibility of carrying the bill; that will make inquiries a little more direct, if you do not mind. I am sure it is the parliamentary assistant's proposed amendment, but that will save the business of passing information back and forth.

Hon. Mr. McMurtry: Mr. Chairman, I am much obliged to the assistance given me by the parliamentary assistant and the co-operation of the members opposite in proceeding.

It would be up to the committee to do what it chose with the report. Obviously, when it comes to the evaluation, that would be the subject matter of some discussion during estimates every year, quite apart from and prior to the three-year duration of the pilot project. It would be up to the members of the justice committee to make their own determination because, after all, they have responsibility for the conduct of their own affairs.

It seems to me this is reasonable and it is more than a compromise, because I think it does really achieve the objectives the members opposite were seeking. I am not prepared to agree to build into this legislation any commitment by any standing committee, three years in advance, to any sort of elaborate process. But we are prepared to commit the public complaints commissioner to preparing a detailed report and forwarding it to the justice committee. That, of course, would be a public document. The process would be followed thereafter, and the decisions would be made according to the needs or the perceived needs at that time.

Mr. Elston: Mr. Chairman, we have found the decision made by the Solicitor General's parliamentary assistant to remove the original motion a good one. I think, in fairness, the decision to allow a detailed report on the overall operation of the initial three-year operation of this project is a good one. At this point, we

ought to allow the report, having been forwarded to the standing committee on administration of justice, to be dealt with by the committee as it sees fit at that time.

It does allow us to put a detailed summary of what has happened in front of the public. It lets us understand whether our project has worked and has been sufficient to meet the needs of the community of Metropolitan Toronto and, indeed, it enables the standing committee on administration of justice to report as to whether it ought to be extended even further, as is the suggestion at the base of this whole piece of legislation.

I think it goes a long way to alleviating our concerns that this sort of report would not come to the standing committee and that we would not have the opportunity to delve further into the operation of the project. I will urge my colleagues here to support this amendment as presented.

Mr. Philip: Mr. Chairman, maybe we can have the advice of the Clerk. As I understand it, unless the document is tabled in the House and referred to the committee, the committee does not have the power to deal with it in an open and public manner. What we want, and I am trying to be helpful to the Solicitor General, is that somewhere in the amendment it should be deemed to be a sessional paper and that it should be tabled in this Legislature for referral to the justice committee. If it is done in that manner, then I think we can meet the objectives I had in moving my amendment.

On the other hand, if it is simply a paper that is sent to the justice committee, then we are no further ahead than we were with the parliamentary assistant to the minister saying, under section 14(1) of the act, there has to be a report anyway and it will go off to estimates, perhaps.

Maybe the Solicitor General can comment on that or give us that assurance. Or maybe, Mr. Chairman, we can receive the counsel of the Clerk as to the procedure that would ensure that this amendment would mean the report would be tabled in the Legislature for referral to the justice committee for public hearings.

4:20 p.m.

Mr. Chairman: I am going to call upon the Solicitor General. It is going to be his amendment.

Hon. Mr. McMurtry: I am not prepared at this time to say that, as a matter of course, it will go to the justice committee for public hearings. I think it will have to await events as they unfold. Obviously we hope that everybody will be

satisfied in three years' time that this project is the most workable legislative approach that can be found.

I am not prepared to commit ourselves to a series of public hearings in advance of events unfolding. If the committee has the report, it is a public document; it is legislatively mandated. The Legislature of this province has, in effect, said to the public complaints commissioner, "It is your duty to put forward a detailed report."

There will be lots of platforms on which to discuss that report. It is a pretty important responsibility for any public complaints commissioner, naturally, to want to conform with the legislation. I just do not think it is necessary or reasonable to determine now what should be the proper forum, with or without public hearings.

I do not think there is any difficulty with the request that the Solicitor General should table the report. I have been given some wording that seems to address that issue, at least in part; it would be section 27(3), which would indicate, "The Solicitor General shall lay the report before the assembly if it is in session or, if not, at the next ensuing session." That is wording that has been recommended to me by my senior advisers. I am quite prepared to accept that wording.

Mr. Wrye: On a point of order, Mr. Chairman: Is the Solicitor General telling us there is a new section 27(3) coming in as well?

Hon. Mr. McMurtry: No. Just for the discussion.

Mr. Wrye: We do not have the new section 27(2)?

Hon. Mr. McMurtry: No. We can have this reproduced. For the purpose of discussion, this will assist us and I will have this reproduced for the members. It would read:

"I move that section 27(2) of the bill be struck out and the following substituted therefor:

"(2) The public complaints commissioner shall prepare a report evaluating the effectiveness of the system for handling complaints during the three years of the operation of the project and forward copies of the report to the Solicitor General and council of the municipality of Metropolitan Toronto.

"(3) The Solicitor General shall lay the report before the assembly if it is in session or, if not, at the next ensuing session."

That was an alternative suggestion.

Mr. Chairman: The member for Etobicoke. I know it is difficult; you do not have it in front of you for discussion.

Mr. Philip: I think we are moving more—I do not want to say in the right direction, because that is the way the bill goes, but in the correct direction, and I would like to see the amendment.

Hon. Mr. McMurtry: The copies are being prepared now, Mr. Chairman, and should be with us very shortly.

Mr. Chairman: We will wait for two or three minutes.

Mr. Wrye: While we are waiting for a detailed wording, Mr. Chairman, I want to ask about one phrase I noticed is missing that I thought might have been in there. I ask the Solicitor General why he proposes to take out the words "prior to the repeal of this act"? Perhaps he can inform the House in a general sense. I may have misread the Solicitor General's amendment; we have not seen it yet, but it seems to me that phrase is not in it and I will be rather concerned if it is not.

Hon. Mr. McMurtry: As the member knows, Mr. Chairman, the first subsection of that section states, "This act is repealed on a day that is three years after it comes into force or on such day thereafter as is named by proclamation of the Lieutenant Governor." If it were the decision of the government to allow the pilot project to terminate, there still would be the necessity of the report being made in any event, with the possible problems of time constraints and what not.

There is no specific time frame in relation to the preparation of this report, but it is quite clear to me that the public complaints commissioner would suffer some degree of loss of credibility if the report were not forthcoming within a reasonable time after the three-year period. If the government's decision is to allow the pilot project to terminate, then the practical value of the report might not be as great but it would still be important to have it.

What we are really interested in is not placing time constraints on the public complaints commissioner. Anybody who has that job for three years, assuming and hoping it will be the same person, will know what will be required, and nobody else can really speculate as to just what will be required in a report.

At the end of three years, it could be in the public's interest to let the project terminate prior to the publication of a report. There are a number of uncertainties here. If I were to be optimistic, as I am, I would expect that three years from now the government probably would

have brought in legislation giving it more permanent status and that the report would be forthcoming shortly thereafter.

4:30 p.m.

I think what we are trying to accomplish here is to place the responsibility on the public complaints commissioner, which he is quite prepared to accept, of preparing a detailed report. His credibility would be at stake if that report were to be unduly delayed. That is how I see it. We are really trying to meet the objectives that were stated by the members opposite without locking us into any specific process for dealing with the report other than tabling it.

We are distributing to members the amendment I would like to propose. It means withdrawing once again the other amendment to this section.

Mr. Chairman: Hon. Mr. McMurtry moves that section 27(2) of the bill be struck out and the following substituted therefor:

“(2) The public complaints commissioner shall prepare a report evaluating the effectiveness of the system for handling complaints during the three years of the operation of the project and forward copies of the report to the Solicitor General and the council of the municipality of Metropolitan Toronto.

“(3) The Solicitor General shall submit the report to the Lieutenant Governor in Council and shall then lay the report before the assembly if it is in session or, if not, at the next ensuing session.”

Hon. Mr. McMurtry: Mr. Chairman, we have had the assistance of legislative draftsmen through the legislative counsel. We can nitpick for a long time, but this is our amendment. We really are seeking to address the concerns of the members opposite without locking us into any specific mechanism, other than what is proposed for the tabling of the paper, until we all have had an opportunity to evaluate the project as it goes along. We really hope this meets the concerns of our colleagues opposite. That is our proposed amendment, and that is what we can vote on, if necessary.

Mr. Elston: Mr. Chairman, I have a couple of brief comments. I think this addresses most of our concerns. We expect to receive the report at the end of the three years, or at least within a reasonable time after the three years, and certainly before the government moves to make any sort of permanent legislation available to Ontario. I think we ought to—

Mr. Laughren: They have been known to renege on their deals.

Mr. Elston: Well, the people to our left sometimes have very little faith in anything any more and will jump on everybody.

Mr. Laughren: I am thinking of the McMichael collection, if you must know.

Mr. Elston: Nevertheless, I think this will go a long way towards providing the public information we need to have to determine whether the public is well served by this piece of legislation. The mere fact that this information will become public, I think, will act as a deterrent to any ill-advised implementation of other legislation before we have had a chance to consider the material here.

Mr. Philip: Mr. Chairman, the question I have is about the wording of the first part of the amendment, which says that “the public complaints commissioner shall prepare a report evaluating the effectiveness of the system for handling complaints during the three years of the operation of the project.”

There is nothing that says the evaluation will be done and tabled before the three-year pilot project, or experiment, is concluded. I am wondering if the minister, in co-operation with his draftsman, would put something into that amendment that would give us the assurance that we would have an evaluation either before new legislation comes forward or there is an extension of the present bill.

Hon. Mr. McMurtry: I can't give that assurance. What will probably happen, if I were to be an accurate prognosticator, is that three years down the road there will be some extension of the project, for a length of time I cannot predict now, and shortly after the three-year period, within a reasonable period of time, you'll have the report. I do not see the need to tie the repeal to the report.

What we are really talking about is an evaluation that can be looked at by all the members of the Legislature, as well as the members of the public, within a reasonable period of time after the three-year period regardless of what happens to the project. I hope the project will still be going, but I don't think it would be helpful and it could create problems if we try to necessarily tie the two together. There may be another election between now and three years from now, who knows? Maybe a lot of things will change.

Mr. Elston: Is it possible you may not be Solicitor General?

Hon. Mr. McMurtry: It is quite possible.

Mr. Laughren: You might be Premier. Mr. Chairman, the point I want to make is that surely the Solicitor General appreciates the fact that it is a sunset bill and has a sunset clause in it. The reason we were so concerned about getting this amendment into the legislation in one form or another was in case the report came back saying some changes should be made, but it is working well. It would be at that time, based on that information that would come before the chamber or wherever else, that the sunset clause would be changed, and there would be an extension to the bill. What good does it do to have the whole thing sunsetted and then two months afterwards, or six months afterwards, have a report come in describing the project in glowing terms?

Hon. Mr. McMurtry: The government would look pretty foolish, wouldn't it?

Mr. Laughren: Well, yes, but how would you know?

Hon. Mr. McMurtry: Isn't that what you really want?

Mr. Laughren: No, that is not fair. What we are trying to say is that the report should come in before the sunset clause takes effect. I don't think it is asking too much to have that built into the amendment. If what you say is real, if you are sincere in what you say, then it should be in the legislation. In the last couple of days we have seen what happens when things are not built into the legislation.

Hon. Mr. McMurtry: You haven't even seen that legislation.

Mr. Laughren: I saw the legislation that was debated, and took part back in the debate back in 1972 or 1973 on the McMichael collection.

Mr. Wrye: Mr. Chairman, I agree with my colleague from Huron-Bruce (Mr. Elston) that the amendment, as now proposed, goes a long way toward satisfying our needs in this area. I think we can support it. I am sorry this new great spirit of co-operation did not occur back on section 5 or section 14, but I guess it's better that it did occur, even at the eleventh hour.

4:40 p.m.

I saw the Solicitor General nodding on a couple of occasions, and he seemed to be implicitly committing himself and this government to a system whereby this report would not be laid before the chamber, would not be made public or would not be prepared after more permanent legislation was introduced. It would be prior to that because its usefulness would be

severely diminished if it were to occur afterwards. It is my understanding that is the sense of the amendment. On that basis, I can live with it.

I might also point out to the House that should the majority government, which may be around three years from now since we may or may not have an election, wish to forestall any further discussion of the report by the justice committee, it is also to be forwarded to the council of the municipality of Metropolitan Toronto which would allow another forum for the discussion to take place.

I am willing on this occasion, as we so rarely do, to trust the integrity of the government which brought this amendment forward in good faith and to go along with it to see how the system works. We will take a look at it when Mr. Linden reports three years from now. I am satisfied to let him prepare the detailed report since he will be working on a day-to-day basis with this new pilot project over the next three years. We on this side are prepared to support the amendment.

Mr. Philip: I still find it unusual that the minister would argue this is experimental legislation. Part of the argument he and his parliamentary assistant used all through the committee hearings was: "Why not try this? After all, it is only in existence for three years and then we can make the necessary changes."

One of the phrases we heard over and over, ad infinitum, was, "It is not etched in stone." Yet he does not want to take that small extra step of saying that before this sunsets, a report will be tabled in this House, if it is sitting, so we can send it to committee and have public input before any changes are made.

That is all the members of the opposition are asking. If you have taken the step of saying there should be an evaluation and it should be tabled in the House, why can you not say the evaluation will take place before there is any further action on the bill? That is all we are asking you to do. I hope the minister will consider that and respond at this time.

Hon. Mr. McMurtry: I think it would be a very unwise step for any government to take. There is nothing magic in the three-year period. If it is in the public interest to repeal the legislation, it should not necessarily have to wait for a report. If some of the gloomy predictions I heard earlier in the debate are correct, and I sincerely believe they are not, then the government may decide to repeal the legislation within the three-year period.

The Legislature may, in its wisdom, do that. I

do not think the decision to repeal or extend legislation should be dependent upon the filing or tabling of a report. I think that is a bad precedent.

I agree with the member for Etobicoke that the report will be a useful document in any decision that is made, but to tie one to the other is not in the best parliamentary tradition. For that reason, with the greatest respect to the member for Etobicoke, I cannot accept his suggestion. Although it is certainly our intention that the pilot project continue beyond the three-year period, members will have an opportunity to look at a report shortly after the conclusion of that three-year period. All will be well and we will all be congratulating each other on the wisdom of our approach.

Mr. Philip: Mr. Chairman, if I wanted to be cynical, and you know I am not a cynical person, I might say this is a very clever political trick on the part of the minister. He would like to have both worlds. If by any chance things look good, then he will table a glowing evaluation, it will go out to committee, and everything will be good for him because it will be tabled before the three years are over.

Maybe my colleagues in the Liberal Party will think I am being overly cynical, and I ask their opinion on this: but if on the other hand things are as bad as we on this side of the House predict they will be, if he has the same lack of public support for his process that this bill presently has—as was evident from all the groups that came before the committee—if it is the kind of disaster we suspect it will be, then what he will want to do will be to let it run for the three years, make a few changes based on the input he will get through his various routes, then have the evaluation and come in and say, “See, we were so enlightened, we were able to make some changes already, and we were able to meet some of the criticism in the report a year ago, when we made our changes at year three.”

We have to say that some evaluation and some report is better than no evaluation and no report. If the government believes this is a bill that has what they say it has, why will they not have an evaluation before the three years are up? Why not let the public have an input before they make any changes? I cannot believe that a government that tries to paint itself as a good manager—and we have seen some of its management with Re-Mor and Astra and all the other things that came before the justice committee, but it likes at least to see itself as a good

manager—cannot plan an evaluation that takes place at year two or two and a half, and cannot schedule that. They schedule everything else.

One does not have to be in Germany to be able to schedule a train. One does not have to be in Ontario and on the Conservative side of the House to schedule an evaluation. I wonder what the minister is doing. Why play games with it? Why not give us the assurance?

Mr. Chairman: Is there any further discussion? In fear of my reading the Solicitor General’s amendment to section 27(2) and 27(3) incorrectly, could we go on the basis that the Solicitor General has read it into the record? Is that agreed by all parties?

Mr. Laughren: If you make one more mistake, Sam—

Mr. Chairman: I know, another censure motion.

We have agreed to that.

Those in favour of Hon. Mr. McMurtry’s amendment to section 27(2) and 27(3) will please say “aye.”

Those opposed will please say “nay.”

In my opinion the ayes have it.

Section 27, as amended, agreed to.

Sections 28 and 29 agreed to.

Mr. Chairman: Call in the members.

5 p.m.

Mr. Chairman: Order. To refresh members’ memories, we are voting on a proposed amendment to Bill 68 by the member for Huron-Bruce (Mr. Elston) whereby a new subsection, subsection 18, is added to section 19 of the bill: “The board may make an order which awards costs to a party to the hearing.” All those in favour of the proposed amendment—

Mr. Cassidy: On a point of order, Mr. Chairman: There were four of us who were coming in the door, and we were blocked by the attendant. I understand there was to be a 10-minute bell.

Mr. Chairman: Order, please.

Interjections.

An hon. member: You will have to move a motion to have him fired, Mike.

Mr. Chairman: Yes. You just might. Order.

Would you suggest the chair open the doors? I thought we had agreed that there would be a 10-minute bell.

The committee divided on Mr. Elston's amendment to section 19, which was negatived on the following vote:

Ayes 37; nays 45.

Section 19 agreed to.

Bill 68, as amended, reported.

On motion by Hon. Mr. McMurtry, the committee of the whole House reported one bill with certain amendments.

METROPOLITAN POLICE FORCE COMPLAINTS PROJECT ACT

Hon. Mr. McMurtry moved third reading of Bill 68, An Act for the establishment and conduct of a Project in the Municipality of Metropolitan Toronto to improve methods of processing Complaints by members of the Public against Police Officers on the Metropolitan Police Force.

The Acting Speaker (Mr. Cousens): Is it the pleasure of the House that the motion carry?

Interjections.

The Acting Speaker: Is there any comment on the bill?

Mr. Elston: Mr. Speaker, I would like to speak to the bill on third reading. We have worked very hard in committee to deal with the representations made by various members of the communities of Metropolitan Toronto. We have taken into consideration a great number of their concerns about this bill, and we have moved various amendments, both in the committee and in the committee of the whole House, that we felt would deal with those concerns and would eliminate any of the problems we could foresee.

Through a great deal of effort in committee of the whole House, we were able to put into effect at least a recording mechanism whereby this Legislature would have the benefit of a public report made available by the public complaints commissioner. This comes as a result of the arguments put forward by this party and by others in favour of having a reporting process that would enable us to evaluate this three-year project.

We are not in a position to agree completely with the way the bill was put together because, as we have expressed on several occasions, there are some very basic and fundamental concerns. But we are at least happy we will have the opportunity, after the three-year period has gone by, to look again at this piece of legislation. We will be able to see whether or not it has

functioned well and we will be able to have some input and determine whether or not there need be further amendments. I think the—

Interjections.

The Acting Speaker: Order. The honourable gentleman has the floor. Some attention please.

Mr. Elston: I think the process in which we are involved requires of this Legislature—

Interjections.

The Acting Speaker: The honourable member is speaking to the bill. Order.

Mr. Elston: The members of this Legislature, I am sure, will be interested when this matter comes back to us in three years or thereabouts, to determine again whether or not the people of Metropolitan Toronto are well served by this project.

Although there is not a great deal of interest being shown now, I think it will fall to each one of us as residents of this province to take a very serious and long look at a process which must be implemented. We must ensure the people in Ontario are able to come to some independent body to have their concerns aired with respect to the administration of justice by the police departments in Ontario.

I welcome the opportunity that has been afforded us by the Solicitor General in making that public report available. I think although there has been—

The Acting Speaker: I have asked this House for order. A member is responding. I asked for order and please give order while the member for Huron-Bruce has the floor.

An hon. member: A very wise decision, Mr. Speaker.

Mr. Roy: I want to express a vote of confidence in this Speaker.

Mr. Elston: I am starting to feel like the Premier when he clears his throat for five or six minutes. It gets the same sort of rise out of some of these people.

At any rate we will put that under some committee to study or whatever. We still have concerns about the project. We still think there are valid concerns which were expressed by the people in Metropolitan Toronto when they came before our committee. We hope and trust the people in Metro will use the piece of legislation which is before them. We hope it will be successful.

I do not think there is a member in the committee who did not truly believe he was working for the best ends and interests of

Metropolitan Toronto when he was putting the amendments and when he was considering and speaking to the amendments made by all parties. We have to be sure whatever piece of legislation comes through after this third reading that we, as members of the Legislature, support those people who are in a position to administer this piece of legislation.

We have a great deal of faith in the individual who has been appointed as the public complaints commissioner. We have a great deal of faith in those people he has chosen to be investigators in relation to this piece of legislation. We know their performance will go a long way towards determining how successful this project is. We all hope it is an extreme success. I do not think we wish to see any failures because that, in itself, would cause a very bad situation to arise in Metropolitan Toronto.

With those few words, I just want to let the people know we are pleased we were at least able to salvage some public reporting so that after this project has run its three years the Legislature can again have the opportunity to review it and to make some changes if that is what is required.

Mr. Philip: Mr. Chairman, it is with some regret that our party feels it cannot support the bill. We have stated over and over that we consider section 5 and the amendment we posed—it was also posed by the Liberal Party—was the guts of the controversy surrounding this issue.

5:10 p.m.

We have pointed out repeatedly that the minister could find no public support for the bill without amendments to section 5. Community group after community group that came before the committee, indicated that unless there was an independent investigation from the very start, the people they speak for—the people they understand, the people they know far better than the Solicitor General knows—would not in any way use the mechanism we are setting up.

Some groups argued it was worse to set up a mechanism and pretend there was an adequate police complaints procedure—it was worse to set one up that would not deliver than to have none at all. In the last few weeks since this bill passed through the justice committee without the amendment our party proposed, we have had all kinds of evidence that certain people and groups in the community who may have complaints against the police, do not have faith in

the system. They have been using the services of an organization known as the Citizen's Independent Review of Police Activities.

When we look at the matters they brought forward publicly before the Metro Board of Police Commissioners, we see exactly the very kind of problem we have been afraid of. We have seen examples—alleged, but none the less examples—of what has been labelled in the newspapers as the holdup squad torture technique.

If the evidence presented to lawyers in statements they brought forward to us is true, certain torture techniques of handcuffed prisoners were allegedly carried out. There was also evidence in the last few weeks, again brought forward by the same lawyers, that a number of beatings allegedly took place in a certain police station over a long period of time.

When one looks at these allegations one has a number of questions. One has to question how station supervisors and other officers could go on ignoring this kind of thing alleged to have happened over a period of time. I guess that is the crux of what this bill is about. How can we expect the public to have faith in a system of having not only police officers but police management involved in their own investigation system—at least up to the end of the first month—while these allegations are being brought forward by reputable lawyers and organizations?

We have had examples of alleged brutality, pictures shown to members of the committee which were not the least bit pleasant to look at. Allegations have been made by CIRPA and by certain criminal lawyers with regard to inappropriate use of language. We have had problems brought forward to suggest racism on the part of officers. Problems have been brought forward by CIRPA that talk about the inadequacies with which police allegedly handle complaints.

I will not go into any of the details or name names because I think it is important people not be accused publicly until an investigation has been undertaken. But if we look at the statements by people who have come forward to CIRPA, we see that over and over, for whatever reason, they had a fear of going to the police to have the police conduct these investigations on their own.

There is the fear, first of all, stimulated by such people as Mr. Givens. He suggested in an article in the *Toronto Star* on November 6 that certain people who came forward and launched

what would be considered frivolous accusations or accusations that could not be proved, would suddenly find themselves launched on a civil action for damages. More important though, we have had other evidence both to members of this committee and to CIRPA, that people who were charged with an offence or who had some dealings with the police in an antagonistic way were afraid to come forward.

I suggest to the Solicitor General that all the events that have happened since this bill passed through the committee suggest to us more and more that if this bill is to have any credibility it would have to change section 5.

We say this out of respect, not only out of respect and concern for the numerous citizens and citizens' groups who came forward before the committee, but also for the police. At present, even if an officer is accused wrongfully, even if a frivolous action or an ill-founded action is brought forward, even if the officers are absolutely innocent of any wrongdoing, the public will still have their doubts.

So it is with some regret I say to the Solicitor General he has not listened to the public that has come before him. He has not listened to the Canadian Civil Liberties Association. He has failed to produce a single person representing any of the minority groups who was in favour of the bill as it is. Therefore, it is with some regret I must tell him I will be voting against the bill on third reading.

Mr. Laughren: Mr. Speaker, during the three weeks of committee hearings on this bill I sat with other members of the committee—some of whom are in the chamber this afternoon—and saw group after group come before the committee all expressing virtually the same theme—that they wished this bill to be amended.

Despite the fact the Solicitor General and his party have a majority of seats in this chamber, the opposition in this case represents the majority of people in Ontario with our suggestion that the police not be allowed to investigate themselves. There is absolutely no doubt about that whatsoever. Every group that represents large numbers of people in the community stated unequivocally it wanted this bill changed.

There was no dispute among the groups when they said they wanted it changed. Right from the beginning the Solicitor General seemed to be living in a different time warp than the rest of the people out there, particularly in Metropolitan Toronto. He really is living in the good old days when Toronto was called "Toronto the Good." He does not seem to understand things

have changed out there. He was unwilling to listen to people who wanted to explain it, because the only time the minister appeared in the committee was when a group supporting his views was appearing.

Mr. Roy: Is that right?

5:20 p.m.

Mr. Laughren: That is correct. The minister led us to believe he only wanted to hear those who would make him feel good in his determination not to change the bill. That was consistent right from the beginning of the committee hearings.

The minister attributed motives to the opposition then and as recently as this afternoon. That was not fair. Aside from it being unparliamentary, aside from the fact we were expressing the views of the groups that appeared before the committee, the opposition happens to feel very strongly that the people who would benefit most would be not only those who lay complaints against police officers but the police force itself. The policemen stand again with an independent investigation. We know that whenever a controversial charge is laid against the police, and the police end up investigating that complaint themselves, there will be a cloud over that investigation. The minister knows that, and he has chosen to ignore that fact.

As a matter of fact, even though the police association now does not support our position—that they should not investigate themselves—only a couple of years ago they were in concert with the Canadian Civil Liberties Association asking for a completely independent investigation. It was only a couple of years ago, and since that time they have changed. Perhaps the sweet siren call of the Solicitor General had something to do with that.

When we on this side try to make the argument again and again that the Solicitor General should listen to those people coming before the committee, he simply shrugs his shoulders and ignores that argument.

The old Toronto is not the Toronto of today. It is a different city out there, and the Solicitor General had better understand that, because we on this side of the House want this city to run smoothly. We want a police force that functions with the confidence of the people of Metropolitan Toronto. That is in all our best interests, including the members of the Metropolitan Toronto police force. The Solicitor General, for some strange reason, seems to think that by

requiring the police to investigate themselves in the first instance he is doing them a favour. That is simply not true.

When I look at the people who do not want the bill changed, I see primarily the Solicitor General, Metro chairman Paul Godfrey and the chairman of the police commission, Phil Givens. Those three people have decided, against the wishes of virtually every citizens' group in Metropolitan Toronto, that this bill will not be changed. Those three people have made that decision. They do not represent the wishes of the majority of people in Metropolitan Toronto, or elsewhere in this province.

This bill is a model project for Metropolitan Toronto, and no doubt all municipalities across this province will look at it very carefully. Even though there is a sunset clause in the bill the Solicitor General stated this afternoon that in all probability there will be an extension of this legislation unless something strange happens in the next three years.

It is unusual for us to speak on and vote against a bill on third reading, but we feel very strongly about this one. We believe the Solicitor General is making a serious mistake in not listening to the two opposition parties, who unquestionably in this case represent a majority of the people in Ontario.

Mr. Wrye: Mr. Speaker, this vote on third reading truly presents me with a real dilemma—that is whether to support a bad piece of legislation which, while it is bad, may represent a minimal improvement on the present system. The groups that came before the justice committee were divided on the matter. While the legislation is inadequate in a whole series of ways in dealing with the problems with police that have arisen in Metro Toronto, some felt it would be some improvement and that this legislation would be better than the present system.

Even those who felt that way had proposed there be substantive changes in the bill, changes both opposition parties have tried repeatedly to introduce in committee and in the House. The government with its majority has arrogantly refused to listen. Some groups said this bill was better than nothing at all; others said it was not, because it would hide the problem under the guise of a so-called pilot project.

On balance, after a great deal of consideration, I cannot support this piece of legislation on third reading because it is such a bad piece of legislation. The government has failed to move on the two key areas: section 5, which we

believe should have provided for an independent investigation, and section 14, which should have allowed the public complaints commissioner to move at any time he deemed it to be in the public interest.

The government's failure to recognize what was recognized by virtually every witness who came before our committee in three weeks of hearings dooms this legislation to failure almost before it gets off the ground. I say that with a great deal of regret because I think the one saving grace of this legislation if there is one—and I think this is certainly it—is the appointment of a truly outstanding individual as the public complaints commissioner.

Unfortunately we have tied his hands. It will be impossible for that gentleman to carry this project forward in a way that would ultimately lead to its success and to a new era of trust from the groups in Metropolitan Toronto who most need its help—the visible minorities, the ethnic groups, the poor and those who have had run-ins with the police. I wish it were not so but I think it is.

I have no choice on balance but to suggest to the government that this is its bill. It has had many opportunities to improve it. It has stood alone in favour of it against the Liberal Party, the New Democratic Party and virtually every group that came before the justice committee. As the Solicitor General well knows, it has even stood against the views of some senior officers within the Metropolitan police department. Some of them support the concept of independent investigation.

I say reluctantly to the Solicitor General and the government they will have to stand alone on third reading. I cannot in conscience vote for a piece of legislation I do not believe will serve the people of Metropolitan Toronto who have asked for it for so long.

Mr. Di Santo: I think Bill 68 is the wrong bill and will not be able to solve the problems that prompted the government to introduce it. My colleagues and the members of the Liberal Party have explained the reasons today on third reading, during the debate and in committee.

The important point we have to make is that a complaint mechanism would be a workable one if it had the confidence of the people who wanted to use that mechanism. To be effective, it should be absolutely impartial. People who complain against alleged police brutality or violence must be absolutely certain the body to which they complain is absolutely impartial. The moment there is doubt they are complain-

ing to a body which is not impartial, then the confidence of the citizens collapses. This bill will not be effective. In many instances in the past where citizens had complaints to lodge against the police, they were advised by their lawyers not to complain in order not to make their positions more serious.

5:30 p.m.

The government, despite all the presentations made by numerous groups before the justice committee and the arguments of the opposition, has insisted on two major points that make this bill completely ineffective. One is the investigation of the complaints by the police and this has been confirmed by the appointment of three people who were members of the so-called "holdup squad" to investigate complaints of their colleagues. The government does not want to understand this is not a test of loyalty to the police. That is not the point.

Many people think this bill is based on a false assumption that all those who do not trust the police are against this bill. That is not the case. If we see the police as a legitimate institution and all those who dare criticize the police are considered as almost subversive, then we do not understand the reality of Metropolitan Toronto in 1981. We are not playing a game here to impose on the minority groups, on the ethnic groups, on the visible minorities in Toronto, a model which has been set up according to the values of the majority which holds power. If we want an effective mechanism to solve the social and racial problems that are the result of the setup of our society then we should have a mechanism which is able to solve those problems.

The government is operating under the assumption that whoever dares to criticize the police is against the institution. That is not the case. The Solicitor General should know that some 2,700 years ago, the Romans set a basic legal principle which went, "Nemo debet esse iudex in propria causa." No man ought to be a judge in his own cause.

This principle was set up 2,700 years ago. It is a basic principle that whoever administers justice must be independent, must be impartial, must be objective. With this bill, not one of these requirements is reached because the police are investigating the police. That is not right. The people who came before the committee think that is not right.

Since this is a pilot project we think it important to start off on the right foot. I fail to understand why the government cannot con-

ceive that there are groups in our society who do not have their security. There are groups who are fearful of the institutions, not because they are criminals but because they do not understand the institutions, because they have a problem with the language, with the culture.

One must understand there are people in our society who are apprehensive whenever they come into contact with power, whatever the definition is. The government must understand there are people in our society who are insecure because of their status as immigrants, people who came to this country and are giving their best to this society. Unfortunately, they cannot operate according to the rules of this society, because those rules are not their rules, because it is not part of their background or part of their culture. The government refuses to understand that.

I feel frustrated because I think the government, with this bill, is testing those who are loyal and those who are not loyal. While I think this bill should respond to tensions that are real in our society, it is not going to make them disappear.

If three years from now, we find that this bill does not work, then I think the government knows that it is its responsibility. They do not want to listen to the people who are equally concerned as the minister and other members of the government.

I went through the cases presented to the police commission by the Citizens' Independent Review of Police Activities, and I spoke to some of the people who complained. I found there was a constant element in each case. What impressed me was not the treatment they received by the police, but their fear. They did not know how to react to the police, how to prove their case, how to prove they were innocent. Under the circumstances, they could not prove they had not done anything wrong. In many cases, they say at that time they were ready to say whatever the police wanted them to say, because they had given up; they could not stand the pressure put on them by the police.

I had hoped, during the debate, that perhaps the government would accept some of the suggestions put forward by the New Democratic Party and by the Liberal Party. I regret to say they have not been open-minded.

Let us be frank. The fact that there is a review after three years does not mean anything, because it is the concept that is wrong. This bill should respond to some of the problems that I

hope are the result of a growth crisis in our society. It would be disgraceful if this crisis should become a permanent fixture in our society. I think the government is not helping to solve those problems.

For those reasons, I will vote against the bill.

Ms. Bryden: Mr. Speaker, I think the fact that we are having a debate on third reading underlines the serious distrust members on this side of the House feel about this bill. We feel it is not an answer to the serious situation we have, whereby many citizens of this city feel there is not an adequate procedure for making complaints against the police.

5:40 p.m.

I certainly believe the majority of the members of our police force do try to carry out their duties in a fair way and to be sensitive to the feelings and concerns of the people they are dealing with. But there have been a sufficient number of reports from individuals regarding the kind of treatment they have received when they were being interrogated and when their cases were being considered by the police.

I think those people feel there must be a procedure that they will consider is an impartial investigation of their complaints, and the procedure in this bill is not seen to be an impartial procedure by the people who make the complaints. They feel the complaint is still referred to the police force itself or to the appointed investigator, but there is not an impartial body that will hear their complaints.

The situation in Metropolitan Toronto has become serious when a large number of groups and people feel there is not an adequate means of making their complaints known. They must have confidence in the law, and I cannot understand why the government persists in trying to bring forward a law that the great majority of the people who appeared before the standing committee said was an inadequate law.

It seems to me the government is simply trying to bring in legislation that will more or less shut people up. It will say: "We have done this business. We have made provisions for citizen complaints." But when the legislation is declared inadequate by the majority of the people who appear before the standing committee, it is obviously not the answer to the problem.

I think this bill should be defeated and a new one brought in that will incorporate the principles that the members of the New Democratic Party have been putting forward as an adequate police complaints procedure.

Mr. Renwick: Mr. Speaker, this is a sad occasion, and I do not intend to tarry long over the sadness of the occasion. It is sad not only because—I am delighted to see the Minister of Industry and Tourism (Mr. Grossman) has not seen fit to take part in the debate on this bill.

Hon. Mr. Grossman: I am well represented by my colleague.

Mr. Renwick: The minister is so modern, he is almost obsolete. Mr. Speaker, I want to say, without interruption from the Minister of Industry and Tourism, who does not choose to stand and talk about this bill that affects his riding—I take it he's now going to leave the assembly.

Hon. Mr. Grossman: I thought it might go quicker if I left. If you prefer me to stay—

The Acting Speaker: On Bill 68.

Mr. Laughren: It's irrelevant. It doesn't matter whether the minister stays or goes.

Mr. Renwick: Just don't interrupt.

Mr. Speaker, it is sad because not only was the original bill, introduced by the former Solicitor General, the Honourable John Macbeth, as he then was, flawed, and not only was the bill introduced by the member for Burlington South (Mr. Kerr), when he was Solicitor General, flawed, but each of the bills this Solicitor General has introduced has been flawed. It has been impossible for this party to get across to the minister the need to provide for an independent investigation.

But the ultimate sadness of the occasion, and I stand to be corrected some years hence, is that this will establish the pattern that will be enforced across Ontario, and at no time will we be able to achieve the desired goal of an independent investigation. The goal is one that affects the police. This bill is a disservice to the police. It does nothing whatsoever to give to the police officer the status and protection in society he is entitled to. For those, of course, against whom the game is stacked, there is no reason to believe this bill will protect them.

I hope that at some point Mr. Linden will reread—because I know he likely has read all of the transcripts—the evidence given by Dr. Philip Berger from the South Riverdale Community Health Centre, who appeared on his own behalf, and not as a member of that centre, to give irrefutable evidence before the committee as to why people will continue not to come to the public complaints commissioner. That evidence, to my mind, was open and shut. I do not believe the minister bothered to be there that day because, of course, it likely was not acceptable evidence to him.

The device which the Attorney General and Solicitor General has used in this bill, pretending that somehow this is an experiment that will come to an end at a certain time, is purely a device to entrench this flawed bill into the jurisprudence of this province in a way which, I can say to every member of the assembly, from every municipality across the province, will in due course be the forum they are faced with in their communities. It is that serious.

The mistake has been defended by the minister with stubbornness and on many occasions with arrogance. He has failed to understand that the people who came to give evidence before the committee spoke as representatives. He did not have the good grace to accept their evidence as spokespeople. If they did not choose to say what he wanted them to say, he denigrated them in their capacity as leaders within the community. I think that is a very serious matter.

I do not know what the commissioner is going to do about the recent allegations of police brutality. I do not know what his plans are. But I challenge him to produce annually a report that is objective and critical and to find a method by which he will be able to tell this assembly the number of people who do not register complaints. I do not know whether that is possible, but that is the key to the flaw in the bill. Of course, the minister knows as well as I do that to prove a negative is almost impossible; so the bill will be put before us as being a good bill when the time comes to review its operation.

We tried on a number of occasions to express the principles this party stood for. In closing, I want to say to the minister that this bill is not a monument to him. It is what I would call, I hope, not his epitaph. But one of these days, I trust he will understand he has copied the kind of legislation that has produced in country after country and, in England, in city after city, a noncommunication between the police and the public. I would have thought he would have had the capacity to understand and recognize the need for the independent investigation which has been at the core of the debate that has gone on.

I simply want to pay tribute to my colleagues the member for Etobicoke and the member for Nickel Belt, who sat through the hearings, who devoted an immense amount of time in trying desperately to get across to the minister what is wrong with the bill.

I take it that my colleagues in the Liberal

Party are going to vote against the bill. At least, that is the way I understand it. If I am wrong, it will not be the first time.

I simply want to say to the minister that I have no confidence in the bill. I have no confidence in the process by which he came to the conclusion that Bill 68 will solve the problems as I perceive them, not in Eglinton riding but in the riding of Riverdale. It will not assist anyone in the area I represent. It may give some satisfaction to those who live in different parts of the city, but not in the area I represent and certainly not in the area represented by the Minister of Industry and Tourism, who has now left the chamber.

5:50 p.m.

I appeal to my colleagues on the government benches to stand and have the courage to defeat the bill on third reading or at least to ask that the matter be referred again to the committee with the understanding that in due course the Premier (Mr. Davis) will perhaps take away the portfolio of Solicitor General from this minister of the crown and give it to someone else who has some understanding of the need we have tried to express in this assembly, year after year, to establish a complaint process that would have the confidence of the people and the police. I say it is a sad day.

Mr. McClellan: Mr. Speaker, the members may feel I do not have a right to speak or I am somehow imposing, but I want to make it clear that the constituency I represent and those that a number of my colleagues represent are as vitally affected by this bill as many constituents from rural parts of Ontario are affected by farm legislation. It is important for those of us who have not had an opportunity to participate in the clause-by-clause stage at least to speak briefly. I do not intend to be shut up on it.

My colleagues have outlined a number of the problems. They crystallize into two points. First, unless there is an independent investigation, it will be impossible to clear the air on any complaint. If the complaint is not upheld and there is no independent investigation, the air cannot be cleared. It is impossible to do so. The second point, raised over and over again before the members who were hearing public testimony in committee, was that unless there is an independent investigation from the outset, the complaint procedure will not gain the trust of the communities it is designed to serve. Those flaws are still in the bill and I sincerely believe they doom the procedure to failure. That is a real tragedy.

I have not had the opportunity some of my colleagues have had to sit in committee and listen to the testimony, but I have had the opportunity to meet and talk to the men and women who have spent the last two, three or four years working in the communities, including my own community, with the police-community liaison committees. The minister will know those committees were set up in an attempt to foster better communication and better relationships between the front-line police in the local divisions and members and representatives of the minority communities who were having difficulties in their relationships with the police forces.

Everybody I talked to before the hearings began who had served on those police-community liaison committees said that, unless there were an independent investigation, the communities they represent and belong to would not make use of the procedure. What point is there in a procedure that is nullified from the outset by a lack of trust and confidence?

It is not a question, as the minister has indicated in the past, of being against the police; it is a question of trying to understand the sensitivities of communities that have difficulties in their relationships with police forces. The minister has failed to do that.

The minister referred to the recent accusations against the holdup squad as illustrative of

the benefits of the bill. I say to the minister that the recent grave accusations against the holdup squad indicate the difficulties of the bill. Serious accusations are made against the holdup squad. The investigation is conducted by the police themselves. The police chief appoints ex-members of the holdup squad to do the investigation. And no matter what the outcome of this first round, the air will not be cleared.

If Mr. Linden comes in at some subsequent date, he is faced with a Hobson's choice. If he upholds the police investigation and the complaints are found to be groundless, he will not clear the air and he will not have credibility. If he finds the police investigation was inadequate, the police investigation then becomes a waste of time.

It does not make sense. I suspect the minister knows it does not make sense. He is so concerned about maintaining the paramilitary discipline of the Police Act that he is ignoring the other considerations which we feel are more important and in the long run would benefit policemen as well as the community. For these reasons, we intend to oppose this bill.

Hon. Mr. McMurtry: Mr. Speaker, I can commence my remarks at eight o'clock if you consider it appropriate.

The House recessed at 5:56 p.m.

ERRATUM

No.	Page	Column	Line	Should read
98	3520	1	19	to \$45 million so far this year.
				Mr. Nixon: That didn't help the situation.

CONTENTS

Tuesday, November 17, 1981

Statements by the ministry

Baetz, Hon. R. C., Minister of Culture and Recreation:

Elgin-Winter Garden theatres. 3583

Bennett, Hon. C. F., Minister of Municipal Affairs and Housing:

Municipal Elections Amendment Act. 3583

Oral questions

Baetz, Hon. R. C., Minister of Culture and Recreation:

McMichael Canadian Collection, Mr. Smith, Mr. Renwick. 3584

Elgie, Hon. R. G., Minister of Labour:

Canadian Admiral, Mr. Cassidy, Mr. Peterson, Mr. Renwick. 3588

Leluk, Hon. N. G., Minister of Correctional Services:

Prison overcrowding, Mr. Kolyn, Mr. Philip, Mr. Eakins. 3593

Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics:

Unemployment, Mr. Cassidy, Mr. Sweeney. 3589

Norton, Hon. K. C., Minister of the Environment:

Niagara River pollution, Mr. Smith, Mr. Kerrio, Mr. Foulds. 3586

Exolon court case, Mr. Swart, Mr. Smith. 3592

Liquid waste disposal, Mr. Kerrio. 3595

Pope, Hon. A. W., Minister of Natural Resources:

Lumber company layoffs, Mr. Stokes. 3594

Snow, Hon. J. W., Minister of Transportation and Communications:

Toronto Transit Commission fares, Mr. Ruprecht, Mr. Mancini, Mr. Cassidy. 3590

Walker, Hon. G. W., Minister of Consumer and Commercial Relations and Provincial Secretary for Justice:

Gas furnace valves, Mr. Ruston, Mr. Newman. 3593

First readings

Employment Standards Amendment Act, Bill 168, Mr. Renwick, agreed to. 3595

VDT Operators' Safety Act, Bill 169, Mr. R. F. Johnston, agreed to. 3596

Municipal Elections Amendment Act, Bill 170, Mr. Bennett, agreed to. 3596

Committee of the whole House

Metropolitan Police Force Complaints Project Act, Bill 68, Mr. McMurtry, reported. 3596

Third reading

Metropolitan Police Force Complaints Project Act, Bill 68, Mr. McMurtry, recessed. 3609

Other business

Speaker's ruling, Mr. Wrye.	3595
Business of the House, Mr. Wells.	3596
Recess.	3616
Erratum.	3616

SPEAKERS IN THIS ISSUE

Baetz, Hon. R. C.; Minister of Culture and Recreation (Ottawa West PC)
 Bennett, Hon. C. F.; Minister of Municipal Affairs and Housing (Ottawa South PC)
 Breithaupt, J. R. (Kitchener L)
 Bryden, M. H. (Beaches-Woodbine NDP)
 Cassidy, M. (Ottawa Centre NDP)
 Cooke, D. S. (Windsor-Riverside NDP)
 Cousens, D.; Acting Speaker and Deputy Chairman (York Centre PC)
 Cureatz, S. L.; Deputy Speaker and Chairman (Durham East PC)
 Di Santo, O. (Downsview NDP)
 Eakins, J. F. (Victoria-Haliburton L)
 Elgie, Hon. R. G.; Minister of Labour (York East PC)
 Elston, M. J. (Huron-Bruce L)
 Foulds, J. F. (Port Arthur NDP)
 Grossman, Hon. L. S.; Minister of Industry and Tourism (St. Andrew-St. Patrick PC)
 Johnston, R. F. (Scarborough West NDP)
 Kerrio, V. G. (Niagara Falls L)
 Kolyn, A. (Lakeshore PC)
 Laughren, F. (Nickel Belt NDP)
 Leluk, Hon. N. G.; Minister of Correctional Services (York West PC)
 MacQuarrie, R. W. (Carleton East PC)
 Mancini, R. (Essex South L)
 Martel, E. W. (Sudbury East NDP)
 McClellan, R. A. (Bellwoods NDP)
 McMurtry, Hon. R. R.; Attorney General and Solicitor General (Eglinton PC)
 Miller, Hon. F. S.; Treasurer of Ontario and Minister of Economics (Muskoka PC)
 Newman, B. (Windsor-Walkerville L)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 Norton, Hon. K. C.; Minister of the Environment (Kingston and the Islands PC)
 Peterson, D. R. (London Centre L)
 Philip, E. T. (Etobicoke NDP)
 Pope, Hon. A. W.; Minister of Natural Resources (Cochrane South PC)
 Reid, T. P. (Rainy River L-Lab.)
 Renwick, J. A. (Riverdale NDP)
 Roy, A. J. (Ottawa East L)
 Ruprecht, T. (Parkdale L)
 Ruston, R. F. (Essex North L)
 Smith, S. L. (Hamilton West L)
 Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
 Stokes, J. E. (Lake Nipigon NDP)
 Swart, M. L. (Welland-Thorold NDP)
 Sweeney, J. (Kitchener-Wilmot L)
 Turner, Hon. J. M.; Speaker (Peterborough PC)
 Walker, Hon. G. W.; Minister of Consumer and Commercial Relations and Provincial Secretary for Justice (London South PC)
 Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)
 Wrye, W. M. (Windsor-Sandwich L)

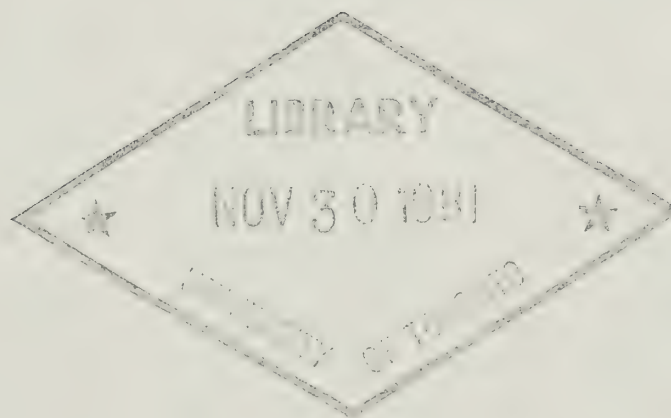


Ontario. LEGISLATIVE ASSEMBLY

No. 101

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Tuesday, November 17, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Tuesday, November 17, 1981

The House resumed at 8 p.m.

METROPOLITAN POLICE FORCE COMPLAINTS PROJECT ACT (concluded)

Resuming the adjourned debate on the motion for third reading of Bill 68, An Act for the establishment and conduct of a Project in the Municipality of Metropolitan Toronto to improve methods of processing Complaints by members of the Public against Police Officers on the Metropolitan Police Force.

Hon. Mr. McMurtry: Mr. Speaker, I am very happy to have the opportunity to conclude this historic debate. I would like to say at the outset that I am very proud to have had the opportunity to introduce this legislation. I would like to thank a number of people who worked so hard to create what I think is the best legislation in a very difficult, complex and controversial area.

If the member for Riverdale (Mr. Renwick) were here, I would say that we have not copied any other legislation, but we expect in the years ahead to see many other legislatures, parliaments and other duly elected bodies copy this legislation, as has often happened in the past with legislation passed by this House, because in my respectful view this is the best legislative approach that has been developed in any jurisdiction in the western world.

At the same time, although by itself, no legislation is going to resolve very difficult issues and controversial matters, the legislative framework we have provided in Bill 68, in my respectful view, certainly presents the best opportunity to do so. As we conclude this debate, I think it is very important to note that very little attention has been paid to the fact that this legislation is probably the most progressive legislation in this area that has ever been enacted by a Canadian parliament, let alone any other jurisdiction of which we are aware.

This legislation involves a degree of police accountability to the public that we have not seen in any other jurisdiction. I would like to say at the outset that I think it is a great credit to the chief of the Metropolitan Toronto Police Force and to his predecessor and the senior officers that they not only have supported this legislation

but have invited it, because it involves an independent review mechanism which is not in existence elsewhere.

They have invited the monitoring of complaints from day one; they have invited the commissioner to do his own investigation within not more than 30 days if he chooses; and, of course, they have welcomed the initiative that gives the independent commissioner the opportunity not only to do his own independent investigation but to order a full and public hearing. All of these are very dramatic innovations with respect to policing in Canada.

Having heard the concern expressed by police forces, not only across the province but across the country, that the Metropolitan Toronto Police Force would accept this very high degree of independent review from a very early stage, I find it ironic and distressing that there has not been more recognition, starting with the members opposite, of the very dramatic, very significant innovations which are part of this legislation and which provide for this fully independent civilian review.

I am not going to prolong the debate, because it is not normal to have a lengthy debate on third reading, but the one issue that appears to divide us is the issue of whether or not the investigation should be taken away from the police in the first instance. Although the members opposite have every right to express their point of view, and it is obvious that even reasonable people can disagree on some of these issues, I find it strange that the opposition parties would pay so little attention to many highly respected commissions and reports in relation to this matter.

I am talking about the Morand inquiry into the Metropolitan Toronto Police, the Maloney report on a police complaints bureau, Cardinal Carter's report and the McDonald commission on the RCMP. I am talking about the conclusion arrived at by the United Kingdom Parliament. All are of the view that to take the responsibility of the initial investigation from the police would be detrimental to maintaining an effective level of policing.

While the members opposite are entitled to disagree with these eminent bodies that have reviewed this matter in an exhaustive fashion, I

say with respect that the rather cavalier manner in which they have dismissed these conclusions does not do them credit. It indicates a bit of a cavalier approach to a serious issue.

Above anything else, it betrays a lamentable and woeful lack of understanding with respect to how police forces in this country operate. That is the simple fact. They have chosen to disagree with every body that has reviewed this issue, yet they have the colossal gall to accuse the government of arrogance because we have chosen to be guided to some extent by these important studies and commissions. If there is any arrogance in relation to this matter, it certainly does not reside on this side of the House.

As to the central issue with respect to whether the police should be deprived of the initial investigation, I do not have to labour the point. There was debate at length about the disastrous consequences in other jurisdictions where this has occurred. It has created a much higher degree of polarization between the community and the police force and it has entrenched confrontation.

Whether the members opposite know it or not, what they were really seeking to do through their amendments was to drive a significant wedge between the public and the police force which serves that public. They want to hamper in an unfortunate fashion the ability of police forces, not just to police themselves but to resolve these issues directly with the citizens they service.

To be so insensitive about this basic issue and its importance as it relates to effective policing in this community, demonstrates a woeful lack of understanding of how police forces function. They talk about what they say is lack of community support. I am not going to talk about recent elections, but it seems the public in this province for a significant period of time has demonstrated some confidence in the people on this side of the House to exercise the right sort of judgement on difficult and complex issues.

This issue was certainly well known. It was very much a public issue before the last consultation with the people of Ontario. Our approach to this matter was well known to the citizens of Metropolitan Toronto before the last consultation.

The results of that particular election demonstrate that we enjoyed the confidence of the public at that time while the opposition did not.

Our approach in these very difficult matters is generally respected, at the very least, as a wiser approach and one that is not likely to cause—

Mr. Kerrio: Where are all your left-wingers over there? What is happening over there?

8:10 p.m.

Hon. Mr. McMurtry: If some of those members had their way, it would be simple chaos. That is what would result. However, they know they are never going to have their way, so they do not mind advocating and preaching chaos on a day-to-day basis. It is really quite incredible. Given what happened to the third party not long ago, for them to suggest they know what the public wants has to be the most laughable statement made in this Legislature for many years. That is the reality of where the public confidence lies.

When it comes to the Metropolitan Toronto Police Department, the public of this community realizes that, as with any large police force, there are going to be problems from time to time. But this police force enjoys a remarkable level of confidence in this community. The members opposite know that; most of them have recognized that. While they recognize it, they give them a clap on the back with one hand and with the other, they want to stab them in the gut. That is basically what they would be doing with some of their proposals.

In adopting this approach, I am confident the public appreciates that it demonstrates a degree of confidence in the police force which the members opposite obviously do not have. They may not want to talk about it, but we are not prepared to dismantle a good police force just to serve some very fuzzy-headed notions that come from the other side of the aisle. That is what we are talking about here tonight.

As nonprovocative as I am, I certainly do not want to needlessly prolong this debate, particularly because it is an important occasion. It is a historic occasion because hopefully the Legislature will be enacting model legislation, as it was referred to quite appropriately by one of the speakers earlier today. It will be model legislation for this and other jurisdictions. It is very important legislation with respect to police-community relations in Metropolitan Toronto.

Before concluding, we should all reflect on the fact that the effectiveness of most human institutions depends on the nature and quality of the human resources that are part of those institutions.

I would like to speak for a moment in a

slightly more positive manner in relation to the viewpoints expressed by the members opposite. All the members opposite have expressed great confidence in Mr. Sidney Linden, the new public complaints commissioner.

Mr. Linden is here tonight and I think it is important for him to know—apart from any concerns the opposition has with the legislation—that he enjoys their confidence. That will be very important to him and very important to the success of this significant project. Obviously, the challenge that has been undertaken is a very difficult one, and regardless of the legislative framework, anyone assuming these important responsibilities assumes a very formidable challenge and difficult task. For anyone to succeed will require the confidence of every reasonable member of this Legislature. I convey my own personal appreciation to the members opposite—

Interjection.

Hon. Mr. McMurtry: No, I would like to express my own personal appreciation to the members opposite for recognizing publicly their confidence in Mr. Linden. This is very important. It was a very responsible attitude for the members of the opposition to adopt and to express as their view. It is going to be a difficult challenge. He will require all our goodwill.

This project is not carved in stone. It is a three-year project, but the possibility of amendments which can assist the project during that three-year period is very real. This has been an important debate. Despite our disagreements on this issue, which divided many people who addressed this controversial subject, all the members have contributed to creating legislation that is going to serve the people of Metropolitan Toronto very effectively in the years ahead.

Obviously, it will not resolve all the problems in the community. Many of these problems are not going to be solved by legislation alone; they will be solved by a community working together and that means the police force as well.

We have excellent legislation before us. I feel privileged to have had the opportunity of moving third reading.

The Acting Speaker (Mr. Cousens): All those in favour of the motion will please say "aye." Those opposed will please say "nay."
In my opinion the ayes have it.

Motion agreed to.

ENVIRONMENTAL PROTECTION AMENDMENT ACT

Hon. Mr. Norton moved second reading of

Bill 143, An Act to amend the Environmental Protection Act.

Hon. Mr. Norton: Mr. Speaker, Bill 143, before us this evening for second reading, is a bill that contains a number of important and significant changes to the Environmental Protection Act. Over a period of time, some concern has been expressed to the ministry about the legal uncertainty surrounding the ownership of waste deposited in a waste disposal site.

It had been the feeling of a number of members of the legal profession that the existing common law allowed industry and other sources of waste to free themselves of future responsibility as owners by transferring the ownership of the waste to the operator of a licensed site. Some maintained they still had some doubt about that.

As a consequence, the ministry was requested to clarify in legislation, which is one of the important elements of the legislation before us tonight, that the ownership of waste delivered to and accepted by an operator of a waste disposal site would be transferred to that owner and operator.

The question was also raised in relationship to the ownership of waste deposited without the authority of the owner on a site and the importance of ascertaining the owner's legal liability for any harm that may result from such deposits.

The proposed amendments also deal with that. They would transfer the ownership of such waste to the site operator without extinguishing the legal liability of the previous owner, who may have been responsible for an unauthorized deposition of waste. This is desirable so that the operator and the previous owner will each have the liabilities of an owner of waste. In particular, under part IX of the act, spills, each will have the responsibility for reducing the risk of environmental hazards from unauthorized deposits that are spills.

8:20 p.m.

In our opinion, the site operator is best placed and equipped to reduce such hazards. The additional financial responsibility of the site operator is important where those who caused the unauthorized deposit are unknown or have insufficient assets. The incentive will be increased for generators of waste and site operators to prevent unauthorized deposits, especially by

increasing security at a site. As a result, the incidence of unauthorized deposits of waste and their environmental effects ought to be reduced.

Another principle that is dealt with in the bill, which I believe is of considerable importance, relates to the concern that has been expressed regarding the wording of section 123 of the act, which deals with the powers of the environmental appeal board on an appeal from a decision of the director under the act, and also under the Ontario Water Resources Act, section 123 being made applicable to appeals under the Ontario Water Resources Act by section 61(3) of that act. It was intended that the board should have the authority to go beyond the original decision of the director, and to substitute its own decision for that of the director, or to require the director to reconsider his decision or specific conditions of it, in accordance with the board's decision.

The implications of serious offences related to hauled liquid industrial waste and hazardous waste which may result in adverse effects require the introduction of special penalties. At the present time, the act contains no special penalty provisions for offences involving these wastes. Section 146 provides for a maximum fine of \$5,000 for the first conviction, and a maximum fine of \$10,000 for each subsequent conviction for offences under the act. No provision is made for a minimum fine. Section 16(1) of the Ontario Water Resources Act provides for similar fines with respect to discharge of polluting material into water, but also includes imprisonment for not more than one year.

These fines, in our opinion, do not provide a court with sufficient guidance concerning the seriousness of offences, particularly those involving hauled liquid industrial waste and hazardous waste. Illegal disposal of hauled liquid industrial waste and hazardous waste may result in long-term and irreversible damage to public health, property, or the environment. The inclusion of a minimum fine and a revised maximum fine in the act will emphasize the seriousness of these offences and should have the effect of being a deterrent to prevent their commission.

The final principle in this piece of legislation I would like to single out relates to the question of a limitation period for prosecution. I made some reference to this earlier today in the House. At the present time the act does not prescribe a limitation period for prosecution, and as a consequence of that, the general limitation period of six months, as set out in the

Provincial Offences Act, applies. Given the complexity of the investigations of a number of offences involving damage to the environment, the ministry has been experiencing some difficulty in complying with the six-month limitation period.

In order to allow for a full investigation, and to prevent the possibility that as a result of the investigation being complex offending parties may escape the full weight of the law by virtue of the time for prosecution having expired, we are including in this bill a specific two-year period during which prosecutions may begin. This will allow for the necessary investigation and laboratory analysis, where it is appropriate, and any other measures that must be completed during this period.

I am sorry, Mr. Speaker, but I have a little note here reminding me of something and I am having some difficulty reading the note. Oh yes. Another important matter that I missed by flipping a page of notes is the seizure of vehicle permits, which relates to the effective enforcement of the legislation. As I am sure members are well aware, the disposal of hazardous and hauled industrial wastes can be a very lucrative business. In fact, there have been reports from some parts of North America that it is so lucrative, or can be so lucrative if the materials are particularly hazardous, that in some instances it may well pay a person to pick up his load and dispose of both the vehicle and the load. The profit that can be made from the operation may be greater than the value of the vehicle in which it is being hauled.

There is a temptation in many instances for persons to start by simply obtaining a vehicle and dumping the waste in a remote area without incurring the cost of seeking out appropriate treatment or disposing of it in an approved waste disposal site. Often the only valuable asset in small operations is the vehicle itself, and if we want to ensure that this type of irresponsible behaviour does not continue, we believe it is important for our investigators to be able to act very quickly and very promptly when offences have been detected.

The imposition of a fine alone has not always proven to be the most effective deterrent. However, we believe that the power to seize the permit and number plates of a vehicle that has been used to dispose of wastes in an irresponsible and unauthorized way will provide a much more effective deterrent. In this legislation we propose that when a vehicle is involved in such an act the permit and the plates may be seized

and that subject to the discretion of the court they may be impounded for a period of up to five years.

This does not mean that the vehicle itself will be impounded. The owner of the vehicle may sell it and recover whatever value he has in that asset, but if someone is engaged in a business so irresponsibly that he is not prepared to take appropriate measures to protect the environment he shares with others in society, this provision of the bill makes it possible to put him out of business by taking away his permit, and this is precisely why it is being included.

I hope that in reviewing this legislation with us during second reading the honourable members will appreciate the need for us to be able to take that kind of decisive action in those few situations where this kind of thing occurs so that we can achieve the quality of environment and environmental protection which I think all members of this House desire.

Mr. Kerrio: Mr. Speaker, our party does not have many problems with how the bill relates to the issues that are in the bill, but we do have problems with the way the minister addresses other matters that are much more important. I am very disappointed that he has not addressed them in the bill.

It appears that Bill 143 will enable him to do housekeeping in uncontentious matters, but I want to ask why the minister has not dealt with the spills bill. We debated this bill and we realized that it was very important, and it should have been included in this bill so we could deal with spills in a very effective way, which has not been done here.

8:30 p.m.

We think he should have addressed himself to the waybill aspect of this. He is talking about those people getting rid of very expensive toxic wastes by taking truckloads and getting rid of them. He has addressed himself to the impounding of their plates or whatever. In fact, he has not done much about having a waybill sort of involvement that would follow these toxic substances all the way from the initiation of the toxic substance, through whatever use it is put to, and through to its ultimate destruction or disposal.

He has not addressed himself to those things. I cannot believe we should be talking about a bill in which he is attempting to do some cleaning up of these matters, yet has not really addressed himself in a meaningful way to handling those situations.

The waste classification regulations that he has been talking about since 1979 have not been included in the bill. The Environmental Protection Act should be amended to make waste recovery, reduction, re-use and reclamation of industrial and hazardous wastes mandatory. That should be a part of the bill. That would take away a lot of the wastes drawn into these disposal areas.

I do not see that he has addressed the situation of the people who are making substantial profits by using toxic substances in industry participating to a greater degree in some kind of perpetual care for deposits which might be made and subsequently forgotten, so that the people who run the landfill sites will ultimately leave them with the care having to be done by the taxpayers of Ontario.

Those are meaningful things he has not addressed in the bill that should be addressed. The fact we have touched on those subjects allows me to talk about those issues because we are on the fringe of doing something substantial about them, but in reality we are not doing it.

The minister referred to a specific part of the bill, section 123(1) of the Environmental Protection Act, which clarifies the powers of the environmental appeal board. We feel this section was clearly enacted as a result of submissions made at the outset of the environmental appeal board hearings into the Maple landfill site.

At the time it was submitted, the companies were trying to put forward an entirely different proposal than the one that was rejected in their appeal process. In our opinion, that constituted a new application and not an appeal. Therefore, it should have been heard by the environmental assessment board and not the environmental appeal board. While the board did not accept that argument, it is quite clear that proposal was made to accommodate that dump site at Maple.

While this really addresses itself to some routine matters, we feel strongly that the minister has not addressed meaningful ways of handling toxic wastes, and of making certain that when they are put into a landfill site there is a commitment made to looking after those sites in the long term.

I wonder whether, subsequent to this bill, the minister will address these serious matters I am bringing to his attention and get back to the matter of placing responsibility on those people who put that toxic substance on the market in the first place, for whatever use it is put to, and be certain that is followed through with a

proper, forceful waybill procedure. It loses all credibility in this modern age, with the sophisticated equipment we have for following toxics through their use and ultimate disposal, that we can possibly end up not being able to account for huge tanker cars of it.

The minister should address himself in this bill to those questions and make certain that if he does not cover them in this bill, then in subsequent bills he will address those serious matters and take care of that situation as it relates to spills, waybills and perpetual care of some of these dump sites.

Ms. Bryden: Mr. Speaker, this bill contains a number of useful improvements to the Environmental Protection Act. For that reason we will be supporting it. These changes are long overdue and are needed in order to make the enforcement of the bill more effective.

I am afraid that too often in the past we have had environmental legislation on the books but it has not been adequately enforced. As a result our environment is becoming increasingly degraded.

Enforcement is the key to good environmental legislation. While you do need the powers, some of which this bill is adding to the arsenal of the ministry, there have been a great many powers under the previous act that have not been exercised, in the same way as the Environmental Assessment Act has not really been used in this province.

Most hearings are held under the Environmental Protection Act with regard to new projects or extensions to projects. For that reason it is very important the Environmental Protection Act be a good act. We certainly welcome some of the provisions that have been added, such as the change in the limits, but I think the whole approach in this bill is a matter of correcting some minor deficiencies in the act.

There are a number of deficiencies I see that are not dealt with, such as adequate compensation for the victims of environmental damage. That has not been addressed. Nor do I see anything in the bill about the public funding of people who appear at environmental hearings, or any suggestion the minister has looked very carefully at the environmental Magna Carta which I introduced last year as a private member's bill. That bill would have given individuals the right to go to court if they thought their environment had been degraded.

It seems to me we must have the two arms for protecting our environment. One is the Environmental Protection Act which is before us

tonight, with sufficient teeth and provisions in it to enforce the regulations and the control orders put into effect under it; but we also need the right of citizens, when there is not adequate enforcement going on, to be able to take the case to court themselves. That has not been provided for in this bill.

There is also the question of standing. In most cases at present the only people who have standing in an environmental protection hearing are those who have a direct interest in it. It is true the board will recognize other groups who have an indirect interest or an overall interest in the protection of their environment, but it is not written into the law that those people have standing. It was included in my environmental Magna Carta that standing should be granted to anybody who feels his environment has been degraded.

I think the concerns that are growing in this province about two very important areas of environmental damage should be dealt with more fully by this bill. One is the question of the protection of our drinking water. More and more reports are coming out that our drinking water may be contaminated by a great many of the chemical pollutants being used in modern industry today. While the authorities continue to assure us the drinking water is safe, we do not really know the cumulative effect of a lot of those chemicals that are in the drinking water. I think we need a much stronger regulation of the drinking water as well as a much better monitoring of what is actually in it.

8:40 p.m.

The other area where there is a great need for much stronger enforcement is that of landfill sites that have liquid industrial waste in them or industrial wastes that may get into the leachate from these sites. I think the Harwich story has alerted us to the fact there are a number of landfill sites in the province that have had industrial waste dumped into them in the past years and very few records were kept of what was going into them. As a result, the sites may be much more dangerous than we think.

We are saying there may be Love Canals in the province but we do not know. The minister does not seem willing to investigate all these old sites and let us know exactly what is in them. It took a court action to find out what was going into the Harwich landfill site. These are some of the things that a real overhaul of the Environmental Protection Act should include, if we are going to protect our environment.

Another area I would like to have seen more

changes in is the question of freedom of information. People who want to see reports from the monitoring of various landfill sites, for example, or water sources, are not always able to get copies of the reports. This should be provided for in the legislation in the absence of a freedom of information act. Of course it would be better if we had a freedom of information act in the province. I think while we support in principle the need for tightening up the present act, we still think we have a long way to go before we have an adequate Environmental Protection Act.

One other point I do not think is in the new act is allowing the right of appeal to interveners, rather than just to proponents, from a decision under this act. I think I am correct in saying interveners are still not allowed to appeal. The minister can correct me if I am wrong. So I hope that perhaps before the bill goes through, we will have some amendments from the minister taking into account some of these serious deficiencies in the act.

Mr. Newman: Mr. Speaker, I want to make a few comments concerning Bill 143, An Act to amend the Environmental Protection Act, and to centre my comments on the transport of a lot of these liquid wastes, likewise solid wastes, by vehicles rather than by railroad tank cars. I am concerned that a lot of these vehicles transporting the various types of hazardous wastes do not follow the procedures that are used in transporting the same types of waste by rail. Railroad workers are extremely nervous and are asking for more information as to what is contained in the rolling stock carrying these hazardous chemicals and wastes.

The same thing would be true for the various types of trucks. There should be limits as to what type of vehicle can transport liquid and/or solid wastes. I can recall attempting to trace the transportation of hazardous wastes from a nuclear reactor plant on the east shore of Lake Michigan. I had followed up on a report of these wastes being transported all across the state of Michigan, as far as the Ambassador Bridge and over it, and there was no record of it even having entered Ontario.

Naturally they will say it did not enter the province. In those days we were not as concerned as we will be in future. My concern is for the individual transporting this by some type of truck who very often does not have a clue about the type of cargo he is carrying. There is no waybill or recommended suggestions as to what the individual must do in case of a spill, an upset

or you name it. The citizen could be affected adversely healthwise as a result of transporting the type of waste being transported today.

The federal government uses a HIER form, a hazard information emergency response form. I think any vehicle carrying any type of waste that could be hazardous should have a bill of lading showing exactly what is being transported and also what to do in case there is a spill.

The police in each municipality through which that vehicle passes should be informed the vehicle is carrying this type of waste, and that it could be a real health hazard to individuals who may be exposed to fumes from it or simply from that type of waste going through the community.

There is also the need for waste classification so that the driver would be alerted about what his vehicle is transporting. In case of any type of upset, if the fire department or municipality police happen to be on the scene they would know exactly what to do as far as overcoming, neutralizing or eventually picking up the waste that has been spilt and removing it to the site in which it is eventually going to be disposed of.

The minister might tell me that is covered under the legislation of the Minister of Transportation and Communications (Mr. Snow). I am especially concerned in my area about some of these vehicles crossing the international border from United States sources. The US does not require certain types of designation as to what is being transported, but we should know.

We should know what type of action must be taken by the environment officials that may be on the scene. For example, it is not too many years ago that hydro transformers were simply being stockpiled in scrap yards, the valves or pipes cut so they could drain all the fluids out. We know exactly what was in those fluids. I recall there was one industry in town. No one even knew about it. Even ministry officials had no clue that this had happened, as a result either of carelessness or ignorance on the part of the scrap yard that eventually purchased the containers—or in this instance the trans-formers.

8:50 p.m.

I am concerned that more information be provided in case of any spills. Then when the minister's officials cannot get to the scene quickly enough the municipal fire departments and/or other officials would be on the site of a spill as quickly as possible to neutralize it, have the material picked up and moved to the disposal site.

Mr. Charlton: Mr. Speaker, I rise in support of the bill. I should say at the outset that I was not fully able to live up to the request the minister made to me this afternoon, but I will not take the time of the House unduly this evening. However, there are a number of comments I wish to make on the bill.

The sections of the bill dealing with the ownership of waste and those dealing with transport and fines for illegal disposal of waste are all welcome in the light of some of the things we know have happened in this province. However the whole question of landfill sites in relation to liquid industrial wastes, as we have seen over the course of the last several years, has become an ever-increasing problem, one for which there is no real solution as long as those liquid industrial wastes are going into landfill sites. No matter how tight or leakproof a landfill site may appear, even over a fairly lengthy period of time, those sites will never be permanently safe. Until we discuss the realities of liquid industrial wastes and the destruction of those wastes at their source as opposed to having to ship them at all and dispose of them in a landfill site, we will not be getting at the problem.

As an interim measure, we welcome these steps both in relation to liability in landfill sites where dumping is legal and in relation to the illegal dumping of liquid wastes, which we know has been a problem in this province as well. We welcome the minister's initiative in terms of the seizure of plates and registrations from vehicles that are involved in illegal dumping simply because, as the minister has pointed out, the ability to get an injunction in place and stop the kind of thing that is going on is too lengthy a process. Seizure is a much quicker way of dealing with that question.

We also welcome the changes in the amendments involving the environmental appeal board that set out the appeal board's authority more clearly, not only to go beyond the original decision of the director, but to change that decision and/or refer it back for further consideration, setting specifics and conditions under which it will be reviewed.

In the case of the new penalties set out, the setting of a minimum is useful although the application of fines in a lucrative industry like this is always somewhat questionable. As the minister's notes on this bill clearly point out, it is the type of business which requires little capital investment. The only capital investment involved in the illegal dumping of liquid industrial wastes

is the purchase of a vehicle. There are no other capital costs to a person running this kind of business.

It therefore becomes a very lucrative business because, as an illegal business, the industry which takes advantage of an illegal practitioner or disposer of industrial waste is quite often an industry that can find no other reasonably economical way to get rid of its waste. It is therefore in the position of paying through the nose for the illegal disposal. Although the new fine levels are substantially improved over the old levels, it is questionable how much impact fines have in an area like this where the capital investment is low and the turnover is high.

The substantially increased fine levels are welcome, but this will not provide an overall or final solution to the question of illegal disposal of liquid industrial wastes. That question is open. It will have to be resolved with the industries producing the wastes. I ask the minister to look carefully at that question which has been raised a number of times in this House.

We also welcome the definition, for the first time, of a limitation on prosecution in cases involving the disposal of liquid industrial waste. The act did not in the past set out limitations. Ultimately we ended up getting stuck with a six-month limitation. We understand the problems that can arise from attempting to investigate an illegal dumping of waste, especially if one does not know at the time it is found who did it. The investigation can be very lengthy.

We welcome the two-year limitation. I hope we will see this ministry pursuing in a more aggressive fashion some of the things raised in the House over the course of the past four years in an honest effort to alter the way in which the disposal of liquid industrial wastes has occurred in this province.

We all know, although none of us is in a position to prove it easily, there have been large quantities dumped illegally, especially in areas where an available site has been closed and then suddenly nobody seems to know where the wastes that were formerly going into that site are now going. It is a question that has been raised a number of times in this House. Unfortunately, although this legislation may help in the pursuit of the things that are going on, it will not ultimately stamp out that problem.

The solution to that problem is sitting down in a very hard way with the industries producing the waste and, either by legislation or by joint venture with those industries, providing for the

disposal of those wastes on site wherever possible as opposed to the need to ship it in the first place.

9 p.m.

Mr. Haggerty: Mr. Speaker, I want to address myself to Bill 143, An Act to amend the Environmental Protection Act, and to endorse the bill in principle with some reservations. My colleague from Windsor-Walkerville brought up a good point tonight relating to this bill not covering hazardous material that is being transported by railroad. I do not know if the minister is aware of the problem that happened back in the early 1970s in the town of Pelham, where there was a train wreck and spillage of sulphuric acid. A number of tank cars were damaged and there was quite a spill. It covered quite a broad area of farm land.

I do not think that claim has ever been settled to this day. It caused quite a problem with the agricultural land in the area. It was badly burnt by the sulphuric acid. One reason was that they did not use the proper neutralizer at the time. They used something that did help, but if they had used agricultural lime, and there was enough of it around the community, it could have contained it and neutralized it without causing too much damage. I suggest there should be proper cataloguing of all hazardous materials so that municipalities should be aware of what is being carried by transport or by rail.

A number of railroad beds, particularly in the Niagara Peninsula, have what is called a "slow order" on particular sections of the track. If the minister is not aware of a "slow order," it means the speed cannot exceed a certain limit—say 15 miles an hour. There is one area between Fort Erie and the city of Welland that is placed in this slow-speed category. I suggest that carrying hazardous materials on this railroad should be stopped immediately.

Perhaps there are other areas in Ontario where there is no proper maintenance of good roadbed, where those materials should not be transported as well. I have heard rumblings in my area about opening the abandoned railroad from Fort Erie to Dunnville specifically to carry hazardous material—it must be from the United States. I was just wondering if there might be some linkage with that site in Cayuga. I hope that is not so. The minister shakes his head but perhaps he is not aware of it.

Another area of concern is that I am lost in trying to read the language used in section 40a: "(1) The ownership of waste that is accepted at a waste disposal site by the operator of the site is

transferred to the operator upon acceptance." I suppose that could be a private operator or it could be a municipal disposal site that can be considered to be the operator.

"(2) Where waste is deposited but not accepted at a waste disposal site, the ownership of the waste shall be deemed to be transferred to the operator of the site immediately before the waste is deposited.

"(3) Subsections (1) and (2) apply only in respect of a waste disposal site for which a certificate of approval or a provisional certificate of approval is in force."

That bothers me a little bit. I hope the minister is not telling me there are sites in Ontario that have not received a certificate of approval. If that is the case I would like to know how many sites in Ontario have not been approved. I am thinking of the private sector where there are certain industries in Ontario that have 45-gallon storage drums sitting in a yard. They are not in any containment area whatsoever, and there could be leakage or spillage there. I am sure they do not come under the certificate mentioned here for a waste disposal site. In some cases they might, but there is an area that is open, perhaps, for later criticism. An accident could happen almost any time.

Look at what happened on the Niagara Peninsula just recently. The minister gave approval to dump radioactive waste in one of the abandoned quarries in the Niagara Peninsula. With the approval of the Ministry of the Environment and their counterparts in Ottawa, he said to go ahead and dump it there, without any concern for the environment or what might happen five or 10 years from now as it relates to radioactive waste. But the minister knows what happened. The poor operator was the one everybody criticized. He was the one at fault, and yet he was only carrying out the minister's orders to dispose of that radioactive waste in the Walkers Brothers quarry in St. Catharines.

I suggest to the minister that there is an area not covered in this amendment to the bill, because the ministry can be at fault. If the minister can override his own legislation, I suppose that is fine, but I do not think that is the intent of the Environmental Protection Act. It is there to protect the public, not the ministry.

When the minister mentions the provisions for conviction when an offence occurs, I relate back again to that railway incident in Pelham, where there has been no settlement for the property owner who had to carry the burden of

damage. Somewhere in this bill there must be reimbursement to those who have been affected by a spillage of hazardous material.

There is nothing in the act. The individual has to go to the court himself, and I will tell the minister, it can be a lengthy court proceeding. It could take 10 years before the courts, and the individual could lose his home and his land over it. He might not be able to put his farm back into production for a number of years. There should be some provisions in there.

Under the Ministry of Natural Resources, for example, if an individual breaks the laws that relate to hunting or fishing, everything is confiscated and nothing is returned, to my knowledge. He loses everything. But under the Environmental Protection Act, an individual can be caught disposing of waste along some roadside and we can remove his licence from the truck, but he still gets the truck. He is subject to a fine, maybe \$500 to \$50,000. Who knows what it is going to be for the first offence? It will probably be about \$500. The minister is lucky it will be that.

Hon. Mr. Norton: There's a minimum fine. The minimum fine is \$2,000.

Mr. Haggerty: Yes, minimum \$2,000. Well, \$2,000 is surely not enough for an offence under this act.

Hon. Mr. Norton: It's not the maximum. The maximum is \$25,000.

Mr. Haggerty: Is it \$25,000? I thought it said some place here \$50,000.

Hon. Mr. Norton: That is for a second offence.

Mr. Haggerty: Second offence? Well, one can see it can encourage them to go on to a second or third offence. It does not say anything about the third offence here. It can be up to \$50,000, but it does not say they are going to be charged \$50,000. I think of what Dow Chemical did to Lake St. Clair and that area, and I do not know what the final charges were, or what they had to reimburse the court for damages done. There was nothing, if anything. It was very minimal. It did not amount to too much, and in that case the minister knows his predecessor stood up in the House and said the polluter will pay. And how many of them have paid since?

Mr. Kerrio: That was his predecessor's predecessor.

Mr. Haggerty: Yes. There were a number of them, anyway. Every time it keeps changing. The minister has added more to the fines of

those caught in the act. I suggest to the minister that I am concerned about the bootlegging that goes on in this—

Hon. Mr. Norton: This has nothing to do with alcohol.

Mr. Haggerty: It does not? Well, it is a spirit of some kind.

But I want to tell the minister that I know of an incident in the city of Port Colborne where they had contracted their waste disposal site out to an operator who was picking up industrial waste, and the municipality, and I believe perhaps even the ministry's regional office in Welland, were not aware of what was being dumped into some of these sites.

Some of it could be considered hazardous material—and if you get anything from Hooker Chemicals, it could be considered hazardous material—but I understand from talking with the minister's staff in the Welland area that it was not hazardous material.

There are cases, and I do not have to tell the minister, because it has been earmarked in previous reports and studies done in that area, that Fort Erie is one of the sites considered to be a hazardous site. What is in it, I do not know. But I know there are chemical plants in that area. I understand a tank truck went into that area at one time with materials. There was another case where the municipality said: "We will contract it out and let an operator run this site."

9:10 p.m.

This bill says municipalities may opt out of some responsibilities, because they can say: "We will have an operator run the site for us." The bill goes back not only to the operator but also to the owner of the land. In that case, the municipalities could be the ones subject to heavy fines and penalties. Perhaps in a case like this they would say, "The penalty will be \$50,000 to the municipality," even though it might not know what is there, perhaps because this ministry over the years has not had proper waybills and has not had proper supervision over these sites to see just what is going in them.

I do not think the ministry has the staff, particularly in the Niagara region, to police this area of hazardous waste sites. I know there is a shortage of manpower in that area, and I suggest to the minister that bringing in a bill like this without sufficient staff to police means, I am afraid, that he is going to have continued dumping of possibly hazardous industrial wastes into waste sites, which could cause us problems.

When I look at this bill and at what has happened to the Love Canal site on the American side, just across the Niagara River, where they had gone by all the provisions of the laws, including the American equivalent of the Environmental Protection Act, yet there were still violations.

One error is that on the American side you allowed them to create their own storage deposit sites there.

Hon. Mr. Norton: We have done what on the American side?

Mr. Haggerty: No, I said on the American side they have allowed it. I do not know what the minister has done here, but I can say I am aware of certain industries that are permitted to go this route of having their own industrial waste site there.

Hon. Mr. Norton: They are permitted, but they must meet our strict standards.

Mr. Haggerty: If they meet the standards; but we do not know that, because it is not publicized. Again, perhaps the minister should be publicizing some of these sites, what is being dumped there and whether the sites were approved by the ministry. When I look at the words "approved by the ministry" on the certificate, if one went into this bill a little further, perhaps the minister could be held responsible for any infractions under the act. I know the Minister of Transportation and Communications was fined just recently and he had to shell it out. It is to be hoped this minister has \$50,000, because he may be held responsible for it.

I suggest to the minister that the bill does not go quite far enough. I am not satisfied with the penalty clause. I think he should go a little bit steeper with that; he should take all the equipment. I do not think there should be any infractions under the bill as it relates to the disposal of industrial waste that could be hazardous. I suggest to the minister that we have a problem. I do not blame the minister for it, but I suppose if I go back and look at 40 years of Tory rule, they have not done too much in this area.

Hon. Mr. Norton: It is done more than that.

Mr. Haggerty: Oh, yes. Listen to the minister. I think of what is taking place in the Niagara region as it relates to the water quality and that residents may be subject to hazardous material.

Hon. Mr. Norton: Not from the Canadian side.

Mr. Haggerty: How does one stop it when one

is transporting it by water or by air? There are no boundaries up there. There are no boundaries in the water. There is an imaginary line, the international boundary line, but that is about all. But, as the good book says, those who have not sinned, let them cast the first stone.

Mr. Speaker: Will the member return to the bill, please?

Mr. Haggerty: I thought I was right on the bill. I was just answering his interjections.

I am suggesting that there is a problem in the Niagara Peninsula and that the minister is well aware of the water treatment situation in some municipalities that want to go to a different type of filtration plant, at a cost to the taxpayers and not to the industry that is creating the problem. If we really want to get to the source of the problem here, we have to go to the industries or the people who are creating it.

I suggest that this is the area the minister should be looking at and that perhaps he should have more research done in his ministry on ways to nip it before it gets out of hand so we will not have all the industrial waste that is now being dumped in municipal dump sites and who knows where else.

I do not have to tell the minister that the radioactive industrial waste that is being dumped in every low spot that can be found in Elliot Lake is going to cause us serious problems. But the bill exempts that because there is a certificate of approval.

Mr. Piché: The member should come and see for himself.

Mr. Haggerty: Oh, yes. We will look at that. We will get up into the member's area one of these days and take a look up there.

Mr. Piché: My area is pure. It is northern Ontario.

Mr. Haggerty: Northern Ontario; well, we have all the problems of pollution down here, even acid rain. I often think of my colleague the member for Niagara Falls (Mr. Kerrio), a great fishing sportsman, who used to praise the clear water in northern Ontario. He said, "You could see the bottom of the lake or the river up there." Now they are starting to find out why: the acid rain has almost killed everything in that area. And if we do not have something stronger than this, we will destroy all the ecology.

Mr. G. I. Miller: Mr. Speaker, I rise to speak on this bill to amend the Environmental Protection Act. As my colleagues have pointed out, we are going to support it; we feel the principle is strictly a bit of housekeeping.

However, I want to ask the minister whether these bills will be utilized in Ontario. I think his record speaks for itself. We have an Environmental Protection Act, we have an Environmental Assessment Act and an Ontario Water Resources Act for the protection of the people of Ontario, which are on the books and were debated in this House. Yet it was not utilized, and it is almost one year ago this month that the government said in this Legislature, "We are going to put a site at South Cayuga in the valley of the Grand River without utilizing the legislation at hand."

Mr. Kerrio: Shame. That's true.

Mr. G. I. Miller: That is true, and the minister knows it is true. The minister came along with an ad hoc proposition to try to justify the use of that area. I might just indicate that we had a look at it the other day. We had water flowing off the spring, coming out of the rock ridge that divides Lake Erie and the Grand River. We also had gas bubbling out of the Grand River at the very bottom. I just hope we are going to get fair treatment in that area when the final decision is made.

My colleague the member for Niagara Falls pointed out that we have not gone far enough to get a handle on the recycling of our industrial wastes. I want to ask the minister, now that he is bringing in a bill, what progress is being made in recycling at source. Do we have a billing program from source to disposal to know exactly what is being produced and what is being disposed of?

I think my former colleague from Huron-Bruce, Murray Gaunt, had advocated that. He was probably the most knowledgeable member of this Legislature as far as environmental issues were concerned, and I think it is indicated again by the bill that is being brought forth today implementing the program of fines. I think he recommended that back when we had a minority government, which was, I might point out, very good for the people of Ontario. Now that we have a majority government again they are not paying very much attention to the opposition, as has been obvious by their actions since March 19.

But we in the official opposition particularly would like to feel that we can be constructive, because we want to leave Ontario better than we found it. I think we have a bill that is just a patchwork and does not really deal with the issues. I hope the minister in his response will

indicate what is being done to recycle at source. Is any progress being made? Does the minister have a handle on it from origin to disposal?

9:20 p.m.

Going back a few years to when we were trying to dispose of our polychlorinated biphenyls by burning them at the Mississauga cement plant, I think that was a safe and effective way of disposing of them; but, because we did not have the trust of the people and did not utilize the legislation available to protect the people, they lost confidence and consequently we are still storing those PCBs. We still have them on our hands.

Mr. Nixon: Not in our bailiwick.

Mr. G. I. Miller: That is correct. They could have been burnt. They could have been disposed of with the resources we have now. But because we played politics with it and did not act in the best interests of the people of Ontario, we still have them stored.

We have an appeal system which may be beneficial to the people of Ontario. I hope it is. As I indicated at the beginning, we support the principle of it but we have not gone far enough in getting the confidence of the people of Ontario in dealing with our industrial wastes.

Mr. Laughren: Mr. Speaker, I rise in support of this bill only because my excellent colleague the member for Hamilton Mountain (Mr. Charlton) has insisted I do it that way.

Hon. Mr. McCaffrey: And there is nobody else around.

Mr. Laughren: The member does not think I am going to take orders from them or from him, does he?

Hon. Mr. McCaffrey: I know how much time you spent on the speech.

Mr. Laughren: Never mind how much time I spent on the speech. When the member for Haldimand-Norfolk (Mr. G. I. Miller) was speaking, I could not help but think of—

Mr. Nixon: You used to live down there before your luck ran out.

Mr. Laughren: That is very true. Will the member stop diverting me? I have lost my place in my speech.

It occurred to me when the member for Haldimand-Norfolk was talking about the South Cayuga dump site that we had an incident up in our area where PCBs were spilled. It was the fault of either the transportation company or a truck that ran into a train and spilled it. The

taxpayers of Ontario were the people who ended up paying a large sum of money to effect a cleanup of that spill site.

As we go along in Ontario making new legislation and amending legislation, doing all sorts of things to try to control the environment to keep it reasonably clean, invariably the taxpayers of the province end up picking up the tab when somebody else should be doing it. Until this government is prepared in a meaningful way to make the polluter pay, and by that I mean trace back through the chain who actually is responsible for the pollutants, we are not going to have equity in the cause of environmental protection in Ontario.

I ask the minister when he responds to tell us how he apportions cost in terms of protecting the environment in Ontario. For example, when acid rain falls all across this province from the Inco superstack, to use one example with which both the minister and I are familiar, there is an enormous cost attached to that. It has been estimated in a federal study that the cost is in the neighbourhood of \$400 million a year. That is more than Inco has ever earned in profits in a year.

When one thinks the minister is the first one to stand on his feet and defend the right of the free enterprise system to its profits, he should at the same time also be on his feet declaring that the free enterprise system, to get those profits, should pay for the damage it does. They have no hesitation in claiming their profits, but they are slow to claim their responsibility for the problems they cause out there which we all pay for as taxpayers in Ontario. The minister has never come to grips with that problem.

It is fine for him to say, "We are going to lower the emission standards at Inco, at Ontario Hydro or whatever," but he never goes back to the principle of the polluter pays.

I should tell the minister this really is roughly on the principle of the bill, in case he is wondering. I can see his eyes are getting a little glazed over there, and I want to put his mind at rest that this really is on the principle of the bill. Anyway, what bothers me and, increasingly, a lot of people in this province is that they are paying for something they should not be paying for.

I have not even touched on the whole issue of low-level radiation. I will get to that later.

Hon. Mr. Welch: Mr. Speaker, I know it will come as no surprise to you that I rise to support my colleague on this progressive legislation. Notwithstanding the fact that our numbers may

be few, many of our colleagues who are busily engaged in committee work at the moment would like to be here to join with me in supporting this legislation.

I feel compelled to stand at this point because I want to advise the House that, in the gallery that faces me, we have some representatives from the Progressive Conservative association of the riding of Brock. I know the members will want to welcome them. They have a particular interest in this issue, because environmental concerns are very much our concerns. I wanted to take this opportunity, with your permission, Mr. Speaker. I am sure you want to echo my welcome to the good people of Brock who have travelled by special bus to Queen's Park to see something of the activities here.

Mr. Laughren: Mr. Speaker, on a point of privilege as opposed to a point of view: In view of the fact that these people are visiting us here this evening, I want to tell you that at the present time in the Manitoba election the New Democratic Party is leading in 18 seats and the Conservatives in 15.

Mr. Philip: Mr. Speaker, I have more recent news. The NDP is leading in 30, compared with the Conservatives' 25.

Mr. Speaker: I am sure we are all very interested in this, and we are all very happy to welcome the people from Brock.

Mr. Nixon: Mr. Speaker, do you want another point of order?

Mr. Speaker: A point of view perhaps.

Mr. Nixon: I thought you would like to know, Mr. Speaker, that there is a large group of working Liberals from Metropolitan Toronto in the galleries tonight as well. Frankly, I am delighted not only to have the Minister of Energy (Mr. Welch) in the House at night, which is a rarity, but to have his son in the gallery as well. I do not want to make any political projections but, if you look around carefully and set your eye on him, you will be able to pick him out without any trouble.

Mr. Speaker: I am very pleased to extend a welcome, on behalf of all the members, to those people as well.

Mr. Samis: Mr. Speaker, I do not know if any of our supporters are in the gallery, but I am sure all members and the Progressive Conservative ladies will be interested to know the current standings in the election in Manitoba are 34 to 22 in favour of the next government of Manitoba, the New Democratic Party.

Hon. Mr. Norton: Mr. Speaker, at the outset, I want to join my colleague the member for Brock (Mr. Welch) in extending a warm welcome in the Legislature tonight to those people from that great part of this province in the Niagara Peninsula.

Some of the most recent announcements in the House have been about as relevant to the debate as some of the observations during the course of the regular debate. I had some difficulty relating some of the points being made by the honourable members opposite to the principle of the bill and the amendments that are before us.

Although I appreciate that the members have unanimously supported the principle of the bill, there were times when I was not sure whether they knew what the principle was. That was the worrisome part of it, but I accept their support without reservation.

9:30 p.m.

There were a number of points raised that I will try to touch on, particularly those that are more relevant to the principle of the bill. I will not try to cover the whole gamut from the federal responsibility for controlling rail transportation through the whole works. Obviously many of those things are either not within our jurisdiction provincially or they are not part of the area covered by this bill.

The member for Niagara Falls (Mr. Kerrio) raised some concerns relating to spills regulation. I can assure him that the spills regulation is drafted. We had hoped to have an opportunity this fall to go before the committee, to maintain the commitment that was made by my predecessor. However, with the progress the committee is making this fall, I am not optimistic we will get a chance to appear before it before Christmas other than for the estimates of my ministry, following the conclusion of the committee's consideration of the amendments to Bill 7. But I can assure the member that is on the way.

The member also expressed some concern about waybills and suggested we had not made progress; at least that was the implication. I can assure him we have made progress in the area of improving the waybill system in this province. In fact, I do not know of any other jurisdiction on the North American continent that has a more advanced system of waybills. We now have the information computerized and we can go, and we plan to go, a greater distance.

We are working at the present time on what someone referred to as the cradle-to-grave system, following from the generator through to

the final disposition of the waste, to ensure, as much as is humanly possible and using whatever advanced technology is available, that any hazardous substances do not go astray or are not irresponsibly dealt with in terms of their final disposition.

We are making progress on those things and we have made very substantial progress. Although I recognize that it is the responsibility of Her Majesty's official opposition in this Legislature to criticize, I might say it is also a loyal opposition and when there is credit to be given, I hope they will be generous enough in spirit to give credit where we have made significant progress and improvement.

I do not know who raised the question of perpetual care, but I can assure the member that is also something that is in the mill, in the drafting stages. I hope that in the not too distant future we will be in a position to deal with that. There is a great deal of work involved in the development of complex regulations that impose stringent requirements on industry. We have been devoting a considerable amount of manpower to that, although I cannot say that personally, because obviously it has been a very dedicated effort on the part of staff that has brought us to our present point.

On the question of enforcement of the legislation, a considerable number of complimentary remarks have been made relating to the penalty section. I do not think we should minimize that. It is quite significant that, for the first time, we are introducing minimum as well as maximum fines. That is quite rare in legislation. I think it is a very progressive step in the sense of communicating not only to the general public but also more specifically to the potential offenders that we do mean business.

We are not simply saying we are allowing wide-open discretion with a maximum fine of \$5,000, as it was before. We are actually saying: "If you are caught and convicted of such an offence, your first fine will not be less than \$2,000 and it could be as much as \$25,000—and that could be per day, depending on the offence. If you are caught and convicted a second time, the least you can be fined by the judge is \$4,000, up to a maximum of \$50,000." That is pretty tough legislation.

As far as enforcement is concerned, I believe it was the member for Beaches-Woodbine (Ms. Bryden) who suggested she had some concern about whether it would be effectively enforced. We have also made progress there. We have established what we have euphemistically referred

to as the environmental police force. We now have a force of officers trained at police college who are under the direction of senior officers of the police forces and who are also technically trained. Their sole role is to ensure to the best of their ability the enforcement of the environmental protection legislation in this province. We have at the moment about 15 full-time officers in that capacity, and we can always use more. With those well-qualified and well-trained people, and with this kind of legislation, we have a much better chance of effective enforcement than has ever existed in the past. And we do mean business.

I could go on and address a number of other things. I do not want to take up an inordinate amount of time. I had hoped we would get on to some of the other bills before us this evening. As I look over the myriad of notes I have, I see there was one thing raised by the member for Windsor-Walkerville (Mr. Newman) regarding the availability of information in situations where there are spills. Although that does not directly relate to the principle of the bill, it is important we understand there is a dual responsibility in this country. Under the Canutech Information System, which comes under the federal Department of Transport, we have an information system for emergency response teams such as fire departments and other forces that may be involved in responding to an emergency spill.

Mr. Kerrio: Including rail spills?

Hon. Mr. Norton: It would include that, yes.

Mr. Kerrio: And transports?

Hon. Mr. Norton: Yes. That information is readily available to them. It is very widely used at the present time by fire departments. As the member is aware, under the aegis of the Ministry of Transportation and Communications we have taken initiatives to implement, under the umbrella of the federal legislation, the regulations relating to the transportation of dangerous goods. Although not everything is being done by my ministry, I think that across the government, wherever the opportunity lies to respond responsibly to the need for such measures to protect the environment, we are doing that.

We have in draft the changes to regulation 842, which is in preparation. It will address such things as vehicledards to be met for liquid waste carriers, driver training and certification for liquid waste carriers, and vehicle inspection procedures. Those things are consistent with

what the honourable members were asking about, saying, "Where is it?" I can assure them it is being done, but it is not part of this specific set of amendments.

I conclude by saying I appreciate the indications of support for these amendments from the members opposite. Having heard my response, I am sure they will be more generous of spirit in recognizing the great progress we are making in this province in dealing with the very difficult problem more effectively than any other jurisdiction, certainly in North America and much beyond that.

Motion agreed to.

Ordered for committee of the whole House.

ONTARIO WATER RESOURCES AMENDMENT ACT

Hon. Mr. Norton moved second reading of Bill 144, An Act to amend the Ontario Water Resources Act.

9:40 p.m.

Hon. Mr. Norton: Mr. Speaker, the amendments in this bill concern the matter of water wells. This is really the first complete revision of the water well provisions of the Ontario Water Resources Act since they were enacted in 1957.

The purpose of the provisions is, first, to ensure the adequate installation, maintenance and abandonment of water wells for the protection of well water supplies, ground water and health and public safety; second, to collect geological and hydrological data for the management of ground water, including the prevention of undue interference with the quality or quantity of ground water, and thereby to protect the ground water resource and the environment; and third, to ensure a measure of consumer protection with the proper construction of water wells.

A further amendment, as I indicated in earlier remarks, provides a two-year limitation period for prosecution instead of the one-year period provided in the present act. For example, pollution offences may often be difficult to detect or may occur in remote places, and it may therefore be necessary to conduct rather lengthy investigations and also laboratory work in order to build the case for a prosecution.

Mr. Martel: A licence to pollute, you mean.

Hon. Mr. Norton: For that reason we are putting in a two-year limitation period just to

make sure those people in Sudbury East do not get away with anything up there in those remote areas where they might—

Mr. Martel: With that new government in Manitoba none of this nonsense will happen.

Mr. Speaker: Order.

Hon. Mr. Norton: I never judge the results of an election until after midnight.

Mr. Martel: It has now been officially declared, and Sterling is gone.

Mr. Speaker: Order. The minister has the floor.

Mr. Martel: I knew you would want to hear that, Mr. Speaker.

Mr. Speaker: Yes, I did. Thank you.

Hon. Mr. Norton: Mr. Speaker, those were my opening remarks. I am sure the members opposite have some.

Mr. Kerrio: Mr. Speaker, my concerns as they relate to the amendments to the Ontario Water Resources Act—

Interjection.

Mr. Speaker: Will the member for Sudbury East (Mr. Martel) please contain himself? The member for Niagara Falls has the floor.

Mr. Kerrio: Thank you very much, Mr. Speaker.

We are going to support the bill, I should start off by saying. I have some concerns about it, but I am sure the minister will share a little more in-depth direction as to how some of these amendments are going to affect my concerns. The first is that in the past we have had a great deal of debate in areas near landfill sites, near toxic dumps and in various other places where private wells have been contaminated by the movement of the ground water and leachates. It has always been next to impossible for a person who has been so affected to prove his case.

I hope the bill will do something meaningful about the assessment of a well that is drilled and the quality of the water. And I hope there will not be any limitation on the time a well may be contaminated by some source over which the person who has the well drilled has no control. That should mean the clarity and the integrity of the water, and it should guarantee recourse to anyone who has good water in a well against anyone who would contaminate that well and/or reduce the level of water in it just by reducing the ground water elevation in a given area. That is my major concern.

My next concern has to do with some very recent events in the New England states and in

upper New York state. This is the very serious fact that acid rain has fallen on the environment for so long it now affects the ground water. I wonder how long it will take in some parts of Ontario before we begin to see the effects of acid precipitation and the effects of those acids contaminating our ground water. I hope this would give us meaningful ways to address that problem.

If the minister recalls, I suggested to him that at known sites of toxic waste disposal, of so-called low toxic waste disposal areas, we drill wells to monitor any movement of leachates from those deposits to be certain we know of their movement before they reach our water supply.

So I hope these amendments address themselves to those very serious problems and give the minister some control over what is happening to the ground water in Ontario as it relates to contamination and the movement of those contaminants to our water supply. I cannot think of anything else in the bill, but I hope the minister responds to my questions as they relate to some control and some monitoring of the ground water and the control of the drilling of wells.

Mr. Charlton: Mr. Speaker, we too are rising in support of the bill. However I want to make a few comments because the minister seems a little confused in his response on the last bill about the approach that some of us in the opposition take to government legislation. All of us who spoke said we supported the last bill in principle. We then went on to make comments about why we did not feel the bill was quite as strong in a number of areas as it should be. The same is basically true of this bill.

I want to take a moment to point out the approach we are taking on this side of the House and where the minister seems to have missed the mark. When we were discussing the previous bill, the minister said he considered the amendments very progressive. We do not dispute his use of the word progressive.

This bill also goes to a two-year limitation on prosecutions as did the last bill. Our problem with his use of the word progressive, both in what they are doing in this bill and in the last bill, is that the progressiveness is far too conservative. Whether it takes two years or 10 years to discover who is responsible for major environmental damage, what does it matter whether it is two years or 10 years. When the problem is discovered and the polluter is discovered, there

should be a prosecution and a cleanup, and the cost of the cleanup should be assessed to that individual or company who caused the problem.

That relates to another question raised a couple of times in the House and by my colleague a short time ago. I attempted to raise it in the last bill in relation to the limitations that are set out. Although we accept the approach being taken as progressive and better than what we had last week, that is not the question. I think the minister sometimes misses the point.

In fines for example, it is not a question of whether the fine is a maximum of \$5,000 or \$25,000 if the damage done is \$400 million. That is what is being missed. That is what we are trying to say to the minister. If a company is causing damage of \$400 million and you slap them with a \$25,000 fine, and the cost of cleaning up the problem happens to be \$100 million or whatever, where is the incentive not to do it again?

9:50 p.m.

Our approach in the case of cleanups and damage would be the cost of the damage and the cleanup. If it were only \$200, that is what they would get stuck with. If it happened to be \$100 million, that is what they should get stuck with as well. The responsibility should lie with the polluter.

In this bill, we support the extension of the limitation for prosecution to two years from six months, but we would prefer an unlimited ability to prosecute. If we discover pollution but it takes 10 years to find out who is doing the polluting, we should still be in a position to prosecute for the cleanup of, and/or compensation for the damage to the individual or the community.

In general, we support the small step proposed in this bill as we did in the last bill. We want to see better legislation in terms of well water, ground water and things that end up damaging the natural ecology of our ground that we count on for so much. But the approach being taken here is a small step, not a major step.

Mr. G. I. Miller: Mr. Speaker, I have a few questions that concern me as far as the regulations for the drilling of the wells are concerned. Maybe the minister can explain. If a farmer in need of water wants to drill a well, does he have to get a permit to drill that well? What was the procedure before?

In my experience, we have had to replace our farm wells a couple of times and we just went in,

found a place and drilled the well for our own use. Is this going to be an added cost? What is the fee as far as the drillers are concerned?

I am aware of many drillers in our area. They have always been reputable and done a good job. Are they now going to be required to pay a licence fee for that permit? How exactly is it going to work?

Hon. Mr. Norton: Mr. Speaker, perhaps I could respond initially to the questions of the honourable member for Haldimand-Norfolk because he was right on track in terms of what this bill is designed to deal with—in other words, the regulation of the well drilling industry.

I want to assure him if he were going to be digging his own well, or if he and his neighbours were going to get together to do it, it would not require him to become a licensed technician.

Mr. G. I. Miller: We hired a well driller.

Hon. Mr. Norton: I thought he said he dug his own. If he hires a well driller, he would be required to be a licensed individual. There have been many complaints about persons who have held themselves out to be well drillers, and may have had some experience, but have left people in the lurch having in some instances done an incompetent job and in some cases having disappeared after the fact. The individual who paid his money to have the well drilled ended up with a useless dry well or a well which was badly drilled or constructed so it resulted in contamination of the water in the well. He had no recourse.

However, for individuals who may be going to do their own well or whose neighbours are going to work together with them, they are not required to get a licence. It is only those who are in the business of drilling who will have to get a licence.

Those who are at present in the business will have a period of time in which they can meet the requirements. For those who may not be able to read or write, for example, we will make provision that they will be able to take the examination or any tests that are required to demonstrate their knowledge of the process. We do not want to exclude people because of the fact that they may not be able to do a written examination or answer written questions or other kinds of difficulties. We will take those precautions.

To the other members who raised questions relating to liability and compensation for damage, that is not dealt with by the penalties in this act. The penalties are for offences. Compensation

tion would be dealt with, of course, by common law. In the instances where, for example, it was the consequence of a spill, when we have the spills regulation in place, it will deal with the matter of liability in terms of cleanup and so on outside the current provisions of the common law. These amendments are not designed to deal with that specifically. These penalties are not compensation for damage but are penalties that would be imposed.

Mr. G. I. Miller: Mr. Speaker, for clarification, could I ask another question of the minister?

Mr. Speaker: A very short one.

Mr. G. I. Miller: I do not think the minister clarified what the licence fee was going to be for a driller, and whether one has to have a permit. If I wanted to drill a well and hire a driller, would I need to have a permit?

Hon. Mr. Norton: No. The driller would need to have a permit, not the person who hired him. We have not established a fee yet. I think the present fee is \$10. But under these amendments we have not yet established a fee.

Motion agreed to.

Ordered for third reading.

PESTICIDES AMENDMENT ACT

Hon. Mr. Norton moved second reading of Bill 145, An Act to amend the Pesticides Act.

Mr. Speaker: Does the minister have an opening statement?

Hon. Mr. Norton: Mr. Speaker, this is a brief—

Mr. Kerrio: Two years' limitation.

Hon. Mr. Norton: That is right. All this amendment really does is prescribe a change in the statutory limitation period from the present six months, because there is no express provision in the act, to two years so that it coincides with the provisions in the other amendments we put forward tonight under the other acts.

Mr. Kerrio: Mr. Speaker, we are going to support this bill, and while we concede the minister is moving in the right direction, the only comment I have is that he is not going far enough.

I am concerned that any limitation that talks in terms of two years, to align itself with the other legislation, is not adequate. As the minister himself has already explained, in some circumstances the investigation takes a good long time. I think that in the significant areas of polluting, whether it be through toxics or

pesticides, we would do well to have a limitation two or three times greater than what the minister is proposing. But we will support this on the first go-around and hope that he will put through bills immediately to extend the statute of limitations.

Mr. Charlton: Mr. Speaker, I will be almost as brief as my colleague. I rise in support of the bill. Unfortunately, the minister still seems to miss the point from time to time. In relation to my comments on fines, his response was, "These are only fines. We are going to deal with cleanup and damage elsewhere." That is the whole point we are raising: when and where?

Tell us about what Inco has been charged. That is what my colleague specifically raised, but there are thousands of other examples. Show us where they are going to be charged for the damage they have done and/or the cleanup that is required as a result of that damage. Nothing like that ever happens around here. That is the problem. All we ever deal with are the administrative questions such as the ones we are dealing with here tonight.

10 p.m.

Hon. Mr. Norton: I was going to say, Mr. Speaker, in view of the views of the member for Niagara Falls, I assure him that the next time we come in with amendments under this act or any other relating to limitation periods we will seriously consider whether it should be put on the same basis as murder, which I think has a seven-year limitation period.

Motion agreed to.

Ordered for third reading.

PUBLIC COMMERCIAL VEHICLES AMENDMENT ACT

Hon. Mr. Snow moved second reading of Bill 160, An Act to amend the Public Commercial Vehicles Act.

Mr. Nixon: Has the minister got an opening statement? Does he want to say something?

Hon. Mr. Snow: Mr. Speaker, I made a statement on the introduction of this bill, which basically includes the recommendations of the Biggs report on agricultural trucking, a number of other amendments that have been requested by the trucking association and an amendment to include a provision for intercorporate trucking. I do not have anything more to add at this time.

Mr. Nixon: Mr. Speaker, the minister may or

may not be coming to the end of a long career in transportation, depending on whether or not one believes the *Toronto Sun*.

Hon. Mr. Snow: Don't believe that.

Mr. Nixon: Actually sometimes they are closer to the truth than others. Probably only the minister knows what is in the wind as far as his own career is concerned. But I suppose it is not out of the way to say that one of the lines in the *Sun's* story about him giving a good, straight, personal answer to letters from members on all sides is correct. I think it is much appreciated by many members of the House who get very sick of the kind of committee-style letters in response to private members on occasion.

I do not want to stray too far from the principle of the bill. Frankly, I hope that we are not close to the minister's swan song and that we will beat him fair and square when the time comes, even in Halton. When he was first elected, he just got in by his fingertips. We had a very good United Church minister running against him; he would have been a grand member of this House, but he went on to greater things.

Hon. Mr. Snow: Greater things, much greater.

Mr. Nixon: Greater things, as the minister knows.

I am glad to have a chance to speak on Bill 160, since it has to do with some substantial reforms in the PCV statute, and regulation eventually, in agricultural trucking. The minister in his rather lengthy career in transportation and communications has been an advocate of deregulation at various times, and then sometimes he has withdrawn from that considerably.

For a self-made man with strong independence, I felt he was perhaps more subject to outside influence in the philosophy of transportation and its regulation than he needed to be. Since the *Sun* says that he is probably the richest man in cabinet, that he could buy and sell the Premier two or three times over and had his own jet long before the Premier decided to have the taxpayers acquire one for himself, he could have told those people who had the inclination to dictate transportation philosophies to go for a long flight in their jet or, in fact, he could have taken one himself as he went on to other things. But I suppose that in a matter having to do with deregulation there has to be a community of views among all the cabinet ministers.

In his opening comments he indicated that the provisions of this bill were not simply the

opening guns in a further attempt to deregulate the trucking industry. Be that as it may, we know that the minister and his colleagues are great supporters and admirers of the philosophy of Ronald Reagan; his government and its predecessor have done a good deal to move towards deregulation in transportation, and the minister may have watched those experiments very keenly and carefully indeed.

I think the people of Ontario feel that they have been reasonably well served by the changing philosophy of the regulation of the trucking industry. The industry, perhaps more so in the past than now, has gone out of its way to be sure that the opposition parties knew what their views were. I remember, on some grand occasions years ago during the leadership of the predecessor of the current Leader of the Opposition (Mr. Smith), that some of the administrative officials in the trucking industry would go out of their way to be sure we knew what their views were and to indicate a passing interest in the future of the opposition's principles in this connection.

They would go out of their way to include us in their official functions, and on at least one occasion they had a panel of three. I seem to recall that one of the minister's predecessors, the member for York South (Mr. MacDonald) and I had a chance to express our views and answer questions. Even then the problems of the trucking industry in agriculture were very much to the fore, because with much deregulation you get the dog-eat-dog situation in which the owners of the trucks are not required to have any kind of licence that is difficult to acquire, and because of the competition they are in a position where, by allowing their machinery to depreciate, they can stay in business for a certain period of time before the weaker ones simply drop by the wayside.

Then good old free enterprise competition and the profit motive, which made the honourable member the richest man in the cabinet before he started to make an honest living in politics, come into play, and the farmer, or whoever has to buy the service pays through the nose. So even the farmers themselves do not object to the kind of regulation that provides them with good service and provides the truckers with an opportunity to make an honest dollar and a reasonable living. The Biggs report had dealt with certain aspects of this and related matters, and the minister has indicated that Bill 160 implements at least a part of that.

I am on good personal terms with some of the

local cattle truckers. They trucked the last head of cattle off our farm a couple of years ago when my wife decided she was not going to chase the cows up and down the road any more. We have even taken the fences down; so there is no way back as far as she is concerned.

But I have kept up a good association with the people in the cattle business, and the minister and his officials certainly would know that around the town of Paris are some of the more liberally progressive cattle trucking firms in the province, which truck right across the country and well down into the United States. It was at their behest that they established a cattle trans-shipment facility near the Lakehead. I am not sure if it is still in operation, because the minister was a little unwilling to give them the sort of assistance they seemed to require at one stage—

Hon. Mr. Snow: They have got it all.

Mr. Nixon: They got it all, did they? Well, maybe that is why I have not heard from them lately. That is fine. I must write them and take credit for that as soon as I can.

10:10 p.m.

Besides the trucking and farming industries, the other matter pertaining to the bill has to do with this mystical corporate licensing, which I suppose is very much in the best interests of larger corporations. As I understand it, their licensing can be transposed or transmitted on a corporate basis without the usual requirement for elaborate and expensive hearings before the Ontario Highway Transport Board which a smaller operator who wants to get into the business or to expand his business might have to undertake.

Maybe this is an efficient way to do it. I suppose the minister is more impressed by the need for efficiency than perhaps protecting the interests of the smaller truckers, smaller corporate entities or individuals in the business. We are somewhat concerned about this concept. Once again we are told that if subsidiaries are wholly owned in the United States, they have a similar procedure for transmitting a licence without a special hearing, although the same 100 per cent requirement is not a part of this bill.

There may be an opportunity for my colleague who is the critic in this ministry to say something as this debate continues. These two matters are of substantial importance, and I would say this particular bill before us tonight is one of the more important ones, with great respect to my colleagues more interested in environment than transportation matters.

It is our intention to support the bill. But our critic suggested, and I am not sure if he has contacted the minister about this, that it might be appropriate if the bill went to a standing committee where people involved in the trucking business could come in and express their views. I do not mean the large corporate entities—that is, the friends of the minister—but those who might find themselves in competition with the special intercorporate umbrella licences the minister wants to make effective and legal by the passage of this bill.

I know the minister, being a reasonable man, would have no objection to the bill going to a standing committee where it could have that sort of discussion. It probably could be accomplished in one session, or two at the most, and the minister would have an opportunity to discuss the matter on a more informal basis with my colleagues in the Legislature as well as those individuals in the trucking business who are going to be directly affected.

The minister, being a good politician, probably has consulted with them at least to some extent. Certainly we have not received any substantial objection from the main spokesmen of the trucking industries. I feel those people who are not on the major corporate list might benefit from an opportunity to express their views. I hope the minister will see fit to have the bill referred to a standing committee. Otherwise, we intend to support this bill in principle.

The Acting Speaker: The member for Etobicoke.

Mr. Philip: I pass to our critic.

The Acting Speaker: I saw the one first, but I see the member for Cornwall.

Mr. Samis: That is right. The member for Etobicoke knows his place, Mr. Speaker. I respect him for that.

Mr. Nixon: The NDP is feeling pretty cocky tonight, all two of them.

Mr. Samis: I must say, Mr. Speaker, it is a rather enjoyable experience to be able to speak on this bill in the full flush of a victory for our party in Manitoba. I know it pertains to the principle of the bill very closely, and I am sure Manitoba will be much more willing to consider this type of legislation with a new government and a much more open, pan-Canadian attitude than the rather parochial hard-line attitude taken by the outgoing government.

Second, I must compliment my good friend the member for Brant-Oxford-Norfolk (Mr. Nixon). I have yet to see him baffled by any bill.

Knowledge never gets in his way. He has the unique ability in this Legislature to speak with some knowledge and some authority, but he can also exercise great discretion, imagination, originality—I am at a loss for another adjective to describe his innate ability. If the Liberals in Manitoba had his ability, I am sure they would be the official opposition tonight and would not have been wiped out. However, we are in Ontario; so I guess we will have to deal with the mundane matters of this province in the upcoming minutes.

Very briefly, we will support the bill. I give credit to the minister and his colleagues for being able to sneak two bills into one. They have done it twice. I am sure the government House leader appreciates the adroitness of the minister and his deputy in achieving that purpose.

The old bill, which I think was Bill 54, the milk bill, is still in this bill; obviously we support that in terms of simplifying the Ontario Highway Transport Board's role in issuing class E authority. We support the provisions on the corridor et cetera; on that one there is no question whatsoever. On the relaxation of entry control standards for farm-related trucking vehicles, and specifically two-axle vehicles, we can support that without any problem since the farm people and the Biggs task force on farm economy recommended that.

The crux of this bill is the question of the exemption for intercorporate trucking. The ministry has been fairly successful in bringing the two sides together, the Ontario Trucking Association representing the for-hire truckers and the various manufacturing interests, whether it is the Canadian Manufacturers' Association or other people. At first, the gap must have been incredible. I give credit to the minister and his staff for being able to create a reasonable consensus between the two opposing interests. On that basis, we will support the bill.

When we see our economy, especially in this province, faced with exorbitant interest rates, stiffening competition from the United States and the general slowdown in the economy, anything that would protect jobs in Ontario and help improve the competitive position of our manufacturing industry, as well as bring greater efficiency to the trucking industry, is something worth supporting.

I point out that this is an experiment. We are the only province in Canada to take this initiative. It is a trial period and runs for approximately 18 months. If the benefits alleged by the proponents of the bill, one of the

strongest proponents being the manufacturers' association, are achieved, it may be a worthwhile experiment.

I list the benefits for which they argue. The consumption of fuel will be reduced. The delivered cost of raw and component material required to sustain manufacturing and production will be reduced. The delivered price of manufactured goods in domestic and US markets will be reduced. If we achieve those three objectives, the experiment will be a worthwhile one.

They refer to the United States and a figure that shows the US saving was 500 million gallons, which could be translated into 50 million gallons in Canada if we adopted the same system of intercorporate trucking; they estimate possibly 12.5 million gallons in Ontario. They argue that those figures may even be conservative. They see prospects of even greater fuel savings in this province.

If we put the bill in the context of intercorporate trucking, we are talking about a trial period of 18 months. We are the only province in Canada to do this. The whole thing will be reviewed in 18 months. We can support it on that basis.

I know the manufacturers are not very satisfied with the 90 per cent ownership provision. I know the OTA is not very satisfied. But we can accept 90 per cent as a compromise figure for this trial period. We support the inclusion of that.

I notice the OTA raised a series of questions. They wondered how many members of a corporate family could hold a certificate for intercorporate exemption. They bring up the question, should it be limited to just one or should all members of a corporate group be entitled to a certificate? I am not sure I share their concerns on that, but I would like to hear the minister's views on why he has come down on the side of allowing all members of the corporate family to be eligible to receive such a certificate.

They bring up some points that probably carry more validity. There is the question of fees. They point out that for people in their association, especially for a 45,000-kilogram tractor-trailer combination, the basic fee is approximately \$530. There is no mention of the fee structure for the people in the private carrier industry.

The point they make is a valid one. These people should have to pay the same fee structure. If the Treasurer (Mr. F. S. Miller) is

complaining about having to invest, if not waste, \$650 million in something like Suncor and gives away \$20 million to the car dealers, why close the door on a potential source of revenue? Not that this would be a major source of revenue, but there are two principles. There is the equity, first of all. If we are to have two parallel structures in the industry, why not have them both pay the same fees? Second, there is the potential for added revenue for the province.

10:20 p.m.

The second question they raised, which is equally valid if not even more valid, is that if this trial period is going to be of value to the ministry and the province, we have to monitor the whole thing carefully to see what results it is producing.

The proponents are advocating that it will save fuel and produce greater efficiency for the trucking industry and the manufacturing industry. We will have to find out whether it is achieving those objectives. Is it producing a more efficient trucking industry? How much fuel are we saving? Is the private carrier saving more fuel? What types of fuel savings are they reporting? What types are the for-hire carriers reporting?

I think they make a very valid point, that they need to have a fairly efficient and effective monitoring system. If they have any process of renewal, maybe that should be based on the fact that the people seeking renewal, or seeking a certificate, would have to provide detailed information in the categories of fuel consumption, labour intensity and productivity.

The other point I want to address before closing also was raised by the OTA, and I believe it carries some validity; it is the question of the exemptions for fertilizer. I can see the argument being made by the proponents, and we have heard the Biggs report. The ministry people recognize there is a problem, obviously the agriculture people feel there is a problem, and I think even the people in the trucking industry recognize there is a problem. The question is how you resolve the problem and where the focus of the whole problem is.

Is the focus of the problem the question of the number of carriers? It is the question of loading and unloading facilities? The government, it seems, has come down on the side that argues if the number of carriers is expanded the problem will be solved, especially when the problem is most acute in the spring.

It would be interesting if we asked the minister what he figures these changes would do

in terms of the loading and unloading facilities. The for-hire carriers are arguing the problem is not the number of carriers but the inefficiencies, the lineups and the problems of loading and unloading in the spring.

This bill obviously will provide more carriers. Some would argue, though, that the bill will aggravate the problem rather than improve on it and that more inefficiencies will be introduced into the system. I ask the minister if he will speak to that question.

In conclusion, we will support the bill on the basis of the trial period. It is not the wedge to total deregulation. It is not committing this province to intercorporate trucking for the next 10 years. We have to recognize the changes that have been made in the United States. We have to recognize that both the manufacturing and trucking industries operate in the shadow of the American economy.

I simply say to the minister that, to make this experiment effective, his ministry should do everything possible to monitor the experiment and to accumulate as much information as possible so we can assess its effectiveness or failure.

Mr. Philip: Mr. Speaker, I feel like an old soldier who answers the bugle call. I have been transportation critic for so many years that you only have to mention the words "public commercial vehicles," and I am on my feet to speak. It has been described even more dramatically than that by some of my colleagues. But I am pleased to see that my colleague the member for Cornwall (Mr. Samis) has taken on the portfolio with such enthusiasm.

One of the things I want to mention is that in looking at the whole issue of regulation versus deregulation for several years, one of the things we were coming to grips with was that the deregulationists often would use as their examples some of the peculiar needs of the agricultural industry.

I could understand those kind of examples, because at the time I was elected I had been an employee of the Ontario Federation of Agriculture. I could therefore understand the peculiar and specific needs of the agricultural community.

Interestingly enough, as I became increasingly familiar with the requirements of a regulated trucking industry, I found that the farmers I talked to who were knowledgeable about the farm industry were not advocating a deregulated trucking industry. Indeed, they were some of the highest proponents of a regulatory system.

This was evident when I talked to them about marketing boards and pointed out that what we were doing through the Public Commercial Vehicles Act was a form of marketing or planning, if you want. We were building in an efficiency through regulation in the same way that marketing boards build in an efficiency for the farm industry.

Therefore, I think it is interesting that what the minister has done is to try to meet some of the particular needs of the agricultural industry while, I hope, not in any way seeing this as the thin edge of the wedge as my colleague the member for Cornwall has indicated. This is an experiment. I hope we will be able to deal with the research at the end of the experiment that will be conducted by the ministry to monitor what is happening and see exactly the effects of this bill.

The member for Brant-Oxford-Norfolk mentioned that he wanted us to go to committee so that some of the smaller trucking companies might have an input. I have always found that the Ontario Trucking Association certainly represented the small trucking companies as well as some of the larger members. The fact that they are not at the door pounding against this bill indicates to me that they are also willing to see the results of this experiment.

But I think what we have is an interesting attempt to come to grips with some of the problems of regulation, an attempt to meet some of the needs of the shipping community while, as I say, I do not think this is a bill that would lead us in any way towards a greater deregulation further down the line. For that reason, I am quite willing to support the bill.

Hon. Mr. Snow: Mr. Speaker, I think I can sum up in the moment or so that we have left. As I mentioned on the introduction of the bill, this bill responds to the recommendations of the Biggs committee on agricultural trucking which has been very strongly supported by both the trucking and agricultural industries. Many of those recommendations were implemented by way of policy or regulation, and the balance have been introduced here as part of the legislative changes.

As far as intercorporate trucking is concerned, as has been said, this is a trial period. A

few months ago, I established a committee to review the Public Commercial Vehicles Act. In the next year to 18 months, I expect that committee will report. In the meantime, I felt I had to proceed with some kind of intercorporate trucking regulation or legislation to meet the needs of the manufacturing and shipping industries and to keep them competitive with the United States.

I could not accept the 100 per cent-owned regulation that is in the US laws. Again, I could not accept the 51 per cent that the Canadian Manufacturers' Association wanted. There is nothing specific about the 90% regulation except that I thought that was a pretty good figure. That is the only reason I can give the House for 90%. It allows for minority shareholders and it allows for employee shareholdings in companies, and that is something that I want to protect.

The Public Commercial Vehicles Act review committee will look at this and make its recommendations in a year or so. We will review the whole situation then. I assure the honourable members that we will be monitoring this procedure, as they have mentioned, for the next 18 months. I hope, with the co-operation of the manufacturers, the shippers, the trucking association and my own ministry, when I get the recommendations from the PCV review committee, we will have the results of this monitoring and will be able to deal with that.

As far as the fertilizer is concerned, we have dealt with that. Mr. Biggs and his committee went into a very thorough study of that. I have discussed it with the Ontario Trucking Association, and I feel that the support we have from the trucking association for what is in this legislation will again let us deal with the problem of moving fertilizer during the busy season.

I assure you, Mr. Speaker, that, as always, I am open to negotiations. If in a couple of years' time we find that this does not work, we will change the damned thing.

Motion agreed to.

Ordered for committee of the whole House.

The House adjourned at 10:30 p.m.

CONTENTS

Tuesday, November 17, 1981

Third reading

Metropolitan Police Force Complaints Project Act, Bill 68, Mr. McMurtry, agreed to . . . 3621

Second readings

Environmental Protection Amendment Act, Bill 143, Mr. Norton, agreed to 3623

Ontario Water Resources Amendment Act, Bill 144, Mr. Norton, agreed to 3635

Pesticides Amendment Act, Bill 145, Mr. Norton, agreed to 3638

Public Commercial Vehicles Amendment Act, Bill 160, Mr. Snow, agreed to 3638

Adjournment. 3643

SPEAKERS IN THIS ISSUE

Bryden, M. H. (Beaches-Woodbine NDP)

Charlton, B. A. (Hamilton Mountain NDP)

Cousens, D.; Acting Speaker (York Centre PC)

Haggerty, R. (Erie L)

Kerrio, V. G. (Niagara Falls L)

Laughren, F. (Nickel Belt NDP)

Martel, E. W. (Sudbury East NDP)

McCaffrey, Hon. R. B.; Minister without Portfolio (Armourdale PC)

McMurtry, Hon. R. R.; Attorney General and Solicitor General (Eglinton PC)

Miller, G. I. (Haldimand-Norfolk L)

Newman, B. (Windsor-Walkerville L)

Nixon, R. F. (Brant-Oxford-Norfolk L)

Norton, Hon. K. C.; Minister of the Environment (Kingston and the Islands PC)

Philip, E. T. (Etobicoke NDP)

Piché, R. L. (Cochrane North PC)

Samis, G. R. (Cornwall NDP)

Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)

Turner, Hon. J. M.; Speaker (Peterborough PC)

Welch, Hon. R. S.; Minister of Energy (Brock PC)

BINDING SECT. JUN 28 1982

